

**Articles of Association of**  
**Shanghai Kindly Medical Instruments Co., Ltd.\***  
上海康德萊醫療器械股份有限公司

(This Articles of Association are effective on October 23, 2023)

*\* For identification purposes only*

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Note: In the marginal notes of the Articles of Association, “**Company Law**” represents the Company Law of the People’s Republic of China; “**Opinions on Regulated Operation and In-depth Reform**” represents the Opinions on Further Assistance in Regulated Operation and In-depth Reform of Companies Listed outside the PRC (Guo Jing Mao Qi Gai [1999] No. 230) jointly promulgated by the former State Economic and Trade Commission and the CSRC on March 29, 1999; “**Guide to the Articles of Association**” represents the Guide to the Articles of Association of Listed companies; “**Main Board Listing Rules**” or “**Hong Kong Stock Exchange Listing Rules**” represents the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; “**Appendix 3 to the Main Board Listing Rules**” represents Appendix 3 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; “**Appendix 13D to the Main Board Listing Rules**” represents Part D of Appendix 13 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited; and “**Appendix 14 to the Main Board Listing Rules**” represents Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

# Articles of Association of Shanghai Kindly Medical Instruments Co., Ltd.\*

## Chapter 1 General Provisions

**Article 1** Shanghai Kindly Medical Instruments Co., Ltd.\* (hereinafter referred to as the “**Company**”) is a joint stock limited company established in accordance with the Company Law of the People’s Republic of China (hereinafter referred to as the “**Company Law**”), the Securities Law of the People’s Republic of China, the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Listing Rules**”) and other relevant laws and administrative regulations of the PRC.

Rule 1(a), Appendix 13D to the Main Board Listing Rules Unless Article 81 of the Company Law

The Company was established by means of promotion based on the change of Shanghai Kindly Corporation Development Group Medical Equipment Co., Ltd. into a stock company as a whole and was registered with Shanghai Administration for Industry and Commerce and obtained a business license on October 26, 2015.

The Company’s unified social credit code is: 913100007895295174.

The Company’s promoters are Shanghai Kindly Enterprise Development Group Co., Ltd., Liang Dongke, Lin Sen, Wang Ruiqin, Chen Xing and Huang Chubin.

**Article 2** The Company’s registered names are:

Full name in Chinese: 上海康德萊醫療器械股份有限公司

Full name in English: SHANGHAI KINDLY MEDICAL INSTRUMENTS CO., LTD.\*

Article 81 of the Company Law

**Article 3** The Company’s domicile is: Block 2, No. 925 Jin Yuan Yi Road, Jiading District, Shanghai

Postal code: 201812

Tel .: +86-21-59140056

Fax: +86-21- 69000013

**Article 4** The legal representative of the Company is the chairman of the Board of the Company.

Article 81 of the Company Law

**Article 5** The Company is a joint stock limited company with perpetual existence and is an independent legal entity. The Company shall bear liability for the debts of the Company with all its assets, while all the assets of the Company are divided into equal shares, and the shareholders shall bear liability for the Company to the extent of the shares they subscribe.

Article 3 of the Company Law Article 9 of the Guide to the Articles of Association

**Article 6** These Articles of Association, being the code of conduct for the Company, are passed by way of a special resolution at the shareholders' general meeting of the Company and shall become effective on the date of the resolution of the general meeting of the Company. From the date when these Articles of Association take effect, these Articles of Association constitute a legally binding document regulating the Company's organization and activities, and the rights and obligations between the Company and each shareholder and among the shareholders inter se.

Article 11 of the  
Company Law

**Article 7** These Articles of Association are binding on the Company and its shareholders, directors, supervisors and senior management; all of the aforesaid persons are entitled, according to these Articles of Association, to make claims in respect of rights concerning the matters of the Company.

Article 11 of the  
Company Law  
Article 10 of the  
Guide to the Articles  
of Association

Pursuant to these Articles of Association, shareholders may institute legal proceedings against the Company; the Company may institute legal proceedings against shareholders; shareholders may institute legal proceedings against shareholders; and shareholders may institute legal proceedings against directors, supervisors and senior management of the Company; the Company may institute legal proceedings against directors, supervisors and senior management of the Company.

Legal proceedings referred to in the preceding paragraph include any legal action brought before a court and any arbitration application submitted to an arbitration institution.

**Article 8** Senior management referred to in these Articles of Association include the general manager, deputy general manager, financial manager (also known as chief financial officer) and secretary to the Board and other senior management members recognized by the Board.

Article 216 of the  
Company Law

**Article 9** The Company shall establish Communist Party organizations and carry out Party activities in accordance with the Constitution of the Communist Party of China. The company provides necessary conditions for the activities of the Party organization.

Article 12 of the  
Guide to the Articles  
of Association

## Chapter 2 Business Objectives and Scope of the Company

**Article 10** The business objectives of the Company are to adhere to the development philosophy of “science and technology serves health, and quality builds distinction”, and is committed to building a globally renowned group of interventional and implantable medical devices led by science and technology innovation, to achieve co-existence, win-win partnership and common development with customers, business partners and all employees, and to create sound economic returns for all shareholders to the utmost extent while creating good social benefits, thereby contributing to the global human health.

Article 13 of the  
Guide to the  
Articles of  
Association

**Article 11** The business scope of the Company is:

Licensed items of business: production of Class II medical devices; production of Class III medical devices; and operation of Class III medical devices; inspection and testing services, (For the above items subjects to the administrative approval, approvals from the relevant authorities must be obtained prior to operation. Special items shall be subject to approvals or licenses from relevant authorities)

Article 81 of the  
Company Law  
Article 14 of the  
Guide to the  
Articles of  
Association

General items of business: sales of Class II medical devices, production of instruments and apparatuses, sales of instruments and apparatuses, sales of Class I medical devices, production of daily-use masks (non-medical), sales of daily-use masks (non-medical), import and export of goods, import and export of technology, service of technology, development of technology, consultation of technology, transfer of technology, promotion of technology, property management, housing rental, sales of electronic products, sales of metal materials, sales of chemical products (excluding licensed chemical products), sales of plastic products, sales of molds, (Except for the items subject to the administrative approval, the Company carries out operating activities listed in its business license freely according to the law)

The business scope referred to in the preceding paragraph shall be such items as audited by the relevant company registration authority.

The Company may, based on any changes in domestic and international markets, business development and its own capability, adjust its business scope and complete relevant formalities of industry and commerce administration registration for such an adjustment according to relevant provisions.

### Chapter 3 Shares and Registered Capital

**Article 12** The stock of the Company shall take the form of shares. All shares issued by the Company shall have nominal values, with each share having a nominal value of RMB1.

Article 17 of the Guide to the Articles of Association

Renminbi referred to in the preceding paragraph refers to the statutory currency of the PRC.

**Article 13** The Company shall issue shares in an open, fair and just manner, and each share of the same category shall have the same right.

Article 126 of the Company Law  
Article 16 of the Guide to the Articles of Association

All shares of the same category issued at the same time shall be issued under the same conditions and at the same price; any entity or individual shall pay the same price for each share.

**Article 14** Shares that the Company issues to domestic investors for subscription in Renminbi shall be known as domestic shares. Shares that the Company issues to foreign investors for subscription in foreign currencies shall be known as foreign shares.

Section 1 (f)(ii), Appendix 13D to the Main Board Listing Rules

Foreign shares listed overseas are called overseas listed foreign shares. Foreign currency aforementioned refers to the statutory currency, other than RMB, of another country or region, which is recognized by the foreign exchange authority of the state and can be used to pay the Company for the shares.

**Article 15** Foreign shares issued by the Company to list in The Stock Exchange of Hong Kong Limited (hereinafter referred to as the “**Hong Kong Stock Exchange**”) shall be called H Shares. H Shares are overseas listed foreign shares.

Rule 19A.04 of the Main Board Listing Rule

As domestic shares of the Company listed on the Hong Kong Stock Exchange as approved by the securities regulatory authority under the State Council are be of the same class as overseas listed foreign shares, they shall be collectively referred to as overseas listed shares.

Article 81 (4)(5) of the Company Law

Both holders of domestic shares and holders of overseas listed shares are common shareholders and shall have the same rights and obligations.

**Article 16** The Company, at the time of its establishment, issued 18,300,000 ordinary shares to its promoters, all of which are subscribed for and held by the promoters of the Company, among which:

Shanghai Kindly Enterprise Development Group Co., Ltd. subscribed for and held 10,000,000 shares, representing 54.6448% of the total number of ordinary shares issued by the Company at the time of its establishment, in monetary form, and was fully funded on September 21, 2015;

Liang Dongke subscribed for and held 1,666,666 shares, representing 9.1074% of the total number of ordinary shares issued by the Company at the time of its establishment, in monetary form, and was fully funded on September 21, 2015;

Lin Sen subscribed for and held 1,666,667 shares, representing 9.1075% of the total number of ordinary shares issued by the Company at the time of its establishment, in monetary form, and was fully funded on September 21, 2015;

Wang Ruiqin subscribed for and held 1,666,667 shares, representing 9.1075% of the total number of ordinary shares issued by the Company at the time of its establishment, in monetary form, and was fully funded on September 21, 2015;

Chen Xing subscribed for and held 1,650,000 shares, representing 9.0164% of the total number of ordinary shares issued by the Company at the time of its establishment, in monetary form, and was fully funded on September 21, 2015;

Huang Chubin subscribed for and held 1,650,000 shares, representing 9.0164% of the total number of ordinary shares issued by the Company at the time of its establishment, in monetary form, and was fully funded on September 21, 2015.

**Article 17** In August 2019, with the approval of China Securities Regulatory Commission, the number of the overseas listed foreign shares listed and initially issued by the Company on the Hong Kong Stock Exchange was 40,000,000. In November 2019, the number of the overseas listed foreign shares listed and issued after the over-allotment option by the Company on the Hong Kong Stock Exchange was 6,000,000. In May 2021, the number of the domestic shares issued by the Company was 2,000,000. In October 2023, the number of the domestic shares issued by the Company was 3,000,000.

Article 20 of the  
Guide to the Articles  
of Association

The Company's equity structure is 171,000,000 ordinary shares. Among them, 66,786,608 shares held by domestic shareholders, accounting for 39.0565%, and 104,213,392 shares held by holders of overseas listed foreign shares, accounting for 60.9435%.

**Article 18** The existing registered capital of the Company is RMB171,000,000.

Article 81 (4) of the  
Company Law

**Article 19** The Company or its subsidiaries (including subsidiaries of the Company) shall

Article 21 of the

not provide any assistance in the form of gifts, funds, guarantees, compensation or loans to persons who purchase or propose to purchase shares of the Company.

Guide to the Articles of Association

#### **Chapter 4 Increase, Decrease and Repurchase of Shares**

**Article 20** The Company may increase capital by the following ways in light of its business and development needs and in accordance with the relevant laws and regulations, these Articles of Association and special resolutions made at shareholders' general meetings:

Article 22 of the Guide to the Articles of Association

- (I) public offering;
- (II) private offering;
- (III) distributing stock dividends to existing shareholders;
- (IV) transferring reserve funds to increase share capital;
- (V) any other ways stipulated by laws and administrative regulations and approved by the relevant regulatory authorities.

Issue of new shares by the Company for capital increase shall be subject to approval as specified in these Articles of Association and follow the procedures specified in the relevant state laws and administrative regulations.

**Article 21** Pursuant to the Articles of Association, the Company may decrease its registered capital. Such decrease shall be made in accordance with the procedures set out in the Company Law, other relevant provisions and these Articles of Association.

Article 23 of the Guide to the Articles of Association

**Article 22** The Company shall prepare a balance sheet and an inventory of assets when it decreases its registered capital.

Article 177 of the Company Law  
Article 177 of the Guide to the Articles of Association

The Company shall notify its creditors within 10 days after adoption of the resolution to decrease the registered capital and shall make announcements in newspapers within 30 days. The creditors shall be entitled to require the Company to repay debts or provide corresponding guarantees for debt repayment within 30 days after the receipt of the notice, or within 45 days after the announcement for creditors if the creditors haven't received the notice.

The Company's registered capital shall not, upon the decrease of capital, be less than the statutory minimum limit.

**Article 23** The company shall not purchase its shares. However, one of the following circumstances shall be excluded:

Paragraph 1 of Article 142 of the Company Law  
Article 24 of the Guide to the Articles of Association

- (I) decrease of the registered capital of the Company;
- (II) merger with other companies holding shares of the Company;
- (III) using the shares in employee stock ownership plans or equity incentive schemes;
- (IV) requests for the Company to repurchase its shares from shareholders who object to resolutions of the shareholders' general meeting concerning merger or division of the Company;
- (V) using the shares for conversion of convertible corporate bonds issued by the listed company;
- (VI) it is necessary for the listed company to maintain its value and the shareholders' equity;

(VII) any other circumstances permitted by the laws and administrative regulations and approved by the regulatory authorities.

**Article 24** The Company may purchase its own shares through open centralized trading or other means recognized by laws, administrative regulations and the CSRC.

Repurchase of the Company's shares for reasons set out in (III), (V) or (VI) of Article 23 of these Articles of Association shall be conducted by way of open and centralized transaction.

**Article 25** Repurchase of the Company's shares for reasons set out in (I) to (II) of Article 23 of these Articles of Association shall be subject to resolution at a shareholders' general meeting. Repurchase of the Company's shares for reasons set out in (III), (V) or (VI) of Article 23 of these Articles of Association shall be subject to resolution at a Board meeting at which more than two thirds of the directors are present in accordance with the provisions of these Articles of Association or the authorization of the shareholders' meeting.

**Article 26** Shares lawfully repurchased by the Company under (I) of Article 23 herein shall be cancelled within 10 days from the date of repurchase; shares repurchased under (II) and (IV) of Article 23 herein shall be transferred or cancelled within six months thereafter; and shares of the Company acquired in accordance with (III), (V) and (VI) of Article 23 herein shall not exceed 10% of the total issued shares of the Company, and shall be transferred or cancelled within three years .

After cancelling the repurchased shares according to laws, the Company shall apply to the original company registration authority for registration of the change of its registered capital and issue an announcement accordingly.

The aggregate par value of the cancelled shares shall be deducted from the Company's registered capital.

**Article 27** The Company shall not accept any shares of the Company as the subject of the pledge.

Paragraph 4 of  
Article 142 of the  
Company Law  
Article 25 of the  
Guide to the Articles  
of Association  
Paragraph 2 of Article  
142 of the Company  
Law  
Article 26 of the  
Guide to the Articles  
of Association

Paragraphs 2 and 3  
of Article 142 of the  
Company Law  
Article 26 of the  
Guide to the Articles  
of Association

Paragraph 4 of  
Article 142 of the  
Company Law

## Chapter 5 Shares and Register of Shareholders

**Article 28** The Company's shares are all registered shares.

Rule 19A.52 of the  
Main Board Listing  
Rules

Matters specified in the shares of the Company shall also include other matters required by the stock exchange on which the Company's shares are listed, apart from those specified in the Company Law.

During the period when overseas listed shares are listed on the Hong Kong Stock Exchange, the Company shall ensure all of its listing documents (including those of overseas listed shares) contain the following statements, and shall instruct and promote its share transfer registry to reject registration of share subscription, purchase or transfer under the name of any individual holder, unless and until the said individual holder has submitted to the said share transfer registry a signed form relating to the said shares, which form shall contain the following statements:

- (I) The purchaser of shares together with the Company and each of its shareholders, and the Company together with each shareholder shall observe and comply with the Company Law and other relevant laws, administrative regulations, Special Regulations and these Articles of Association;
- (II) The purchaser of shares agrees with the Company and each shareholder, director, supervisor, general manager and senior management member of the Company, and the Company acting on its behalf and for each director, supervisor, general manager and senior management member also agrees with each shareholder, to refer all disputes or claims arising from these Articles of Association or from any right and obligation specified by the Company Law or other relevant laws or administrative regulations and with respect to the affairs of the Company, to arbitration, and that any reference to arbitration shall be deemed to authorize the arbitration tribunal to conduct a public hearing in open session and to publish its ruling, and the arbitration awards shall be final and conclusive;
- (III) The purchaser of shares agrees with the Company and each of its shareholders that the shares of the Company can be transferred freely by the holders;
- (IV) The purchaser of shares authorizes the Company to conclude a contract on his/her behalf with each director and senior management member, who shall undertake to observe and fulfill their due duties for shareholders as specified in these Articles of Association.

**Article 29** The Company may keep overseas the original of the register of holders of overseas listed shares and entrust it to the care of an overseas agency in accordance with the understanding and agreement reached between the securities regulatory authorities under the State Council and the overseas securities regulatory authorities. The original of the register of holders of overseas listed shares listed on the Hong Kong Stock Exchange shall be kept in Hong Kong. The Company shall keep at its domicile a copy of the register of holders of overseas listed shares; the entrusted overseas agency shall always ensure that the original and copies of the register of holders of overseas listed shares are consistent.

Rule 1(b), Appendix 13D to the Main Board Listing Rules  
Rule 20, Appendix 3 to the Main Board Listing Rules

Where the original and copies of the register of holders of overseas listed shares are inconsistent, the original shall prevail.

That the register of holders of overseas listed shares shall be open for inspection by shareholders but the Company may be permitted to close the register of holders of overseas listed shares on terms equivalent to section 632 of the Companies Ordinance (Cap.622) of Hong Kong.

**Article 30** Shares of the Company held by the promoters shall not be transferred within one year after incorporation of the Company. The shares issued by the Company before its public offering shall not be transferred within one year from the date when the Company's shares are listed and traded at the stock exchange.

Article 141 of the Company Law  
Article 29 of the Guide to the Articles of Association

The directors, supervisors and senior management of the Company shall report to the Company their shareholdings in the Company and changes thereof and shall not transfer more than 25% of all the shares they hold in the Company per annum during their terms of office; the aforesaid persons shall not transfer their shares in the Company within one year from the date when the Company's shares are listed and traded at the stock exchange; the aforesaid persons shall not transfer their shares in the Company within half a year after they terminate service with the Company. Such restrictions shall comply with the relevant provisions of the Main Board Listing Rules if overseas listed shares are involved.

**Article 31** If shareholders, directors, supervisors and senior management of the Company who hold more than 5% of the Company's shares sell their shares of the Company or other securities with equity nature within six months after purchase, or buy them again within six months after sale, the profits derived therefrom shall belong to the Company, and the board of directors of the Company shall recover their gains. However, the securities company holds more than 5% of the shares due to the purchase of the remaining stocks after the underwriting, and other circumstances as prescribed by the CSRC are excluded.

Article 30 of the Guide to the Articles of Association

Stocks held by directors, supervisors, senior managers and natural person shareholders or other securities with equity nature as mentioned in the preceding paragraph, including stocks held by their spouses, parents and children or other securities with equity nature held by other people's accounts.

If the board of directors fails to comply with the provisions of the first paragraph of this Article, the shareholders shall have the right to request the board of directors to comply within 30 days. If the board of directors of the company fails to do so within the above-mentioned time limit, the shareholders shall have the right to bring a suit directly to the People's Court in their own name for the benefit of the company.

If the board of directors of the company fails to comply with the provisions of the first paragraph of this Article, the liable director shall be jointly and severally liable according to law.

**Article 32** Subject to approval of the securities regulatory authorities under the State Council, holders of domestic shares of the Company may transfer all or part of their shares to foreign investors and have their shares listed and traded on an overseas stock exchange and may convert all or part of the domestic shares into overseas listed shares, and have these shares listed traded on an overseas stock exchange. The converted shares shall also comply with the regulatory procedures, provisions and requirements of the overseas securities market when listed and traded on an overseas stock exchange.

The Company does not need to hold a shareholders' general meeting or a class shareholders' meeting to vote for the listing and trading of the converted shares on an overseas stock exchange or the conversion of domestic shares into overseas listed shares for listing and trading on an overseas stock exchange. The overseas listed shares converted from domestic shares shall be of the same class with as original overseas listed shares foreign shares, and they are both overseas listed shares.

**Article 33** No changes resulting from share transfers may be made to the register of shareholders within 30 days prior to a shareholders' general meeting or five days prior to the record date set by the Company for the purpose of distribution of dividends.

**Article 34** If the Company convenes a shareholders' general meeting, distributes dividends, liquidates or carries out other activities which would require the determination of shareholdings, the Board shall fix a date for ascertainment of the shareholding. Upon the close of such date, the shareholders who remain on the register shall be deemed as the shareholders of the Company.

**Article 35** Any person who objects to the register of shareholders and asks to have his/her name entered in or removed from the register of shareholders may apply to the court of competent jurisdiction for rectification of the register of shareholders.

**Article 36** Any shareholder who is registered in, or any person who requests to have his/her name entered in, the register of shareholders may, if his/her share certificates (hereinafter referred to as the “**Original Certificates**”) are lost, apply to the Company for replacement share certificates in respect of such shares (hereinafter referred to as the “**Relevant Shares**”).

If a holder of domestic shares loses his/her share certificates and applies for their replacement, it shall be dealt with in accordance with the relevant requirements of the Company Law.

If a holder of overseas listed shares loses his/her share certificates and applies for their replacement, it may be dealt with in accordance with the laws, rules of the stock exchange or other relevant regulations of the place where the original register of holders of overseas listed shares is maintained.

If a holder of overseas listed shares loses his/her share certificates and applies for their replacement, the issue of replacement certificates to that holder shall comply with the following requirements:

- (I) the applicant shall submit an application in the standard format designated by the Company accompanied by a notarial document or statutory declaration, containing the grounds on which the application is made, the circumstances and evidence of the loss of the share certificates and the declaration that no other person may request to be registered as a shareholder in respect of the Relevant Shares.
- (II) no statement has been received by the Company from a person other than the applicant for having his/her name registered as a holder of the Relevant Shares before the Company came to a decision to issue the replacement certificates.
- (III) the Company shall, if it decides to issue a replacement certificate to the applicant, make an announcement of its intention to issue the replacement certificate in such newspapers designated by the Board. The announcement shall be made at least once every 30 days in a period of 90 days. The newspapers and periodicals designated by the Board shall be at least one Chinese and English newspaper recognized by the Hong Kong Stock Exchange.
- (IV) the Company shall, prior to the publication of its announcement of intention to issue a replacement certificate, deliver to the Hong Kong Stock Exchange a copy of the announcement to be published. The Company may publish the announcement upon receiving a confirmation from the Hong Kong Stock Exchange that the announcement has been exhibited at its premises. The announcement shall be exhibited at the premises of the Hong Kong Stock Exchange for a period of 90 days. In case an application to issue a replacement certificate has been made without the consent of the registered holder of the Relevant Shares, the Company shall send by post to such registered shareholder a copy of the announcement to be published.
- (V) if, upon expiration of the 90-day period referred to in (III) and (IV) of this Article, the Company has not received from any person any objection to the issue of replacement share certificate, the Company may issue a replacement share certificate to the applicant according to his/her application.
- (VI) where the Company issues a replacement certificate under this Article, it shall forthwith cancel the Original Certificate and enter the cancellation and issue in the register of shareholders accordingly.
- (VII) all expenses relating to the cancellation of an Original Certificate and the issue of a replacement share certificate by the Company shall be borne by the applicant. The Company may refuse to take any action until a reasonable guarantee is provided by the applicant for such expenses.

**Article 37** Where the Company issues a replacement certificate pursuant to these Articles of Association, the name of a bonafide purchaser who obtains the aforesaid new share certificate or a shareholder who is thereafter registered as the owner of such shares (in the case where he/she is a bonafide purchaser) shall not be removed from the register of shareholders.

**Article 38** The Company shall not be liable for any damages sustained by any person by reason of the cancellation of the Original Certificate or the issue of the replacement certificate, unless the claimant proves that the Company has acted fraudulently.

## Chapter 6 Rights and Obligations of Shareholders

**Article 39** The Company shall establish the list of shareholders according to the certificate provided by the securities registration authority. The list of shareholders is sufficient evidence to prove that the shareholders hold the shares of the company. Shareholders of the Company are persons lawfully holding shares of the Company, with names recorded in the register of shareholders.

Article 31 of the Guide to the Articles of Association

A shareholder shall enjoy rights and bear obligations according to the class and quantity of his shares. Holders of the same class shall enjoy the same rights and bear the same obligations.

All classes of shareholders of the Company shall rank *pari passu* over any distribution by way of dividend or any other forms of distribution.

If a shareholder of the Company is a legal person, its rights shall be exercised by its legal representative or proxy of its legal representative on his behalf.

The Company shall not exercise any of its rights to freeze or otherwise impair any of the rights attaching to any shares of the Company by reason only that persons who are interested directly or indirectly therein have failed to disclose their interests to the Company.

**Article 40** When the company holds a general meeting of shareholders, distributes dividends, liquidates and engages in other acts that need to confirm the identity of shareholders, the board of directors or the convenor of the general meeting of shareholders shall determine the date of registration of shares, and the shareholders registered after the close of the stock registration day shall be the shareholders who enjoy the relevant rights and interests.

Article 32 of the Guide to the Articles of Association

**Article 41** Holders of ordinary shares of the Company shall have the following rights:

- (I) to receive dividends and other distributions in proportion to the number of shares they hold;
- (II) to lawfully require, convene, preside over, attend or appoint a proxy to attend shareholders' general meetings and to vote thereat as per their shareholdings;
- (III) to supervise, present suggestions on or make inquiries about the business activities of the Company;
- (IV) to transfer, gift or pledge their shares in accordance with laws, administrative regulations and these Articles of Association;
- (V) to inspect these Articles of Association, the register of shareholders, the corporate bond stubs, the minutes of the general meeting of shareholders, the resolutions of the board of directors, the resolutions of the supervisory committee, and the financial reports of the Company;
- (VI) upon termination or liquidation of the Company, to participate in the distribution of the remaining property of the Company in proportion to the quantity of shares held by them;
- (VII) to require the Company to repurchase its shares held by the dissident shareholders when they cast votes against the proposal for merger or division at the shareholders' general meeting of the Company;
- (VIII) to enjoy other rights stipulated by laws, administrative regulations, departmental rules or these Articles of Association.

Article 33 of the Guide to the Articles of Association

Article 97 of the Company Law

Rule 19A.50 of the Main Board Listing Rules

Paragraph 2 of Article 102 of the Company Law

**Article 42** Where a shareholder wishes to consult the relevant information or obtain materials mentioned in the preceding article, the shareholder shall provide the Company with written documents proving the type and quantity of the Company's shares held by the shareholder, and the Company shall provide such documents at the request of the shareholder after verifying the identity of the shareholder.

Article 34 of the Guide to the Articles of Association

**Article 43** If the resolution of the general meeting of shareholders or the board of directors of the company violates any law or administrative regulations, the shareholders shall have the right to request the people's court to validate the resolution.

Article 35 of the Guide to the Articles of Association

If the convening procedure or voting method of the general meeting of shareholders or the board of directors violates laws, administrative regulations or the articles of Association, or the content of the resolution violates the articles of Association, the shareholders shall have the right to request the people's court to cancel the resolution within 60 days from the date of making the resolution.

**Article 44** If a director or senior manager violates laws, administrative regulations or the provisions of the Articles of Association while performing his duties, thereby causing losses to the Company, the shareholder who holds more than 1% of the company's shares individually or in combination for more than 180 consecutive days shall have the right to request the Board of Supervisors in writing to bring a lawsuit to the people's court; If the Board of supervisors violates laws, administrative regulations or the provisions of the Articles of Association while performing the duties of the Company and causes losses to the Company, the shareholders may request the board of supervisors in writing to bring a lawsuit to the people's court.

Article 36 of the Guide to the Articles of Association

If the board of Supervisors or the Board of directors refuses to bring a suit after receiving the written request of a shareholder as specified in the preceding paragraph, or fails to bring a suit within 30 days from the date of receiving the request, or if the circumstances are urgent and failure to bring a suit immediately will cause irreparable damage to the interests of the company, the shareholder as specified in the preceding paragraph shall have the right to bring a suit directly to the people's court in his own name for the interests of the company.

Where any other person infringes upon the lawful rights and interests of the company and causes losses to the company, the shareholders mentioned in the first paragraph of this Article may bring a suit to the People's Court in accordance with the provisions of the preceding two paragraphs.

**Article 45** Where a director or senior manager violates laws, administrative regulations or the provisions of the Articles of Association and damages the interests of a shareholder, the shareholder may bring a lawsuit in a people's court.

Article 37 of the Guide to the Articles of Association

**Article 46** Holders of ordinary shares of the Company shall assume the following obligations:

- (I) to observe laws, administrative regulations and these Articles of Association;
- (II) to pay subscription monies as per the number of shares subscribed and the method of subscription;
- (III) not to withdraw their shares, unless required by laws and regulations;
- (IV) not abuse the rights of shareholders to harm the interests of the Company or other shareholders; and not abuse the right of the independent status of the Company and the limited liability of shareholders to harm the interests of the Company's creditors;
- (V) to fulfil other obligations stipulated by laws, administrative regulations and these Articles of Association;

Article 38 of the Guide to the Articles of Association

A shareholder of the Company who abuses the rights as a shareholder and causes losses to the company or other shareholders shall be liable for compensation according to law. Where a shareholder of the Company abuses the independent status of the company and the limited liability of the shareholder to evade debts and seriously damages the interests of the Company's creditors, the shareholder shall be jointly and severally liable for the debts of the Company.

**Article 47** The term "controlling shareholder(s)" in these Articles of Association shall refer to the shareholder(s) whose ordinary shares (including preferred shares with voting rights restored) account for more than 50% of the total shares of the Company; the shareholder(s) who holds less than 50% of the total shares but whose voting rights are sufficient to have a significant influence on the decisions of the general meeting.

Article 193 of the Guide to the Articles of Association

**Article 48** If a shareholder holding more than five percent of the voting shares of the company pledges his shares, he shall submit a written report to the company as of the date on which such fact occurs.

Article 39 of the Guide to the Articles of Association

**Article 49** The controlling shareholder and actual controller of the company shall not use their association to harm the interests of the company. If any violation of the provisions causes losses to the Company, it shall be liable for compensation.

Article 40 of the Guide to the Articles of Association

The controlling shareholders and actual controllers of a company have obligations of good faith to the company and the shareholders of the company's public shares. The controlling shareholder shall exercise the rights of investor strictly in accordance with the law. The controlling shareholder shall not harm the legitimate rights and interests of the company and the shareholders of public shares by means of profit distribution, asset reorganization, foreign investment, appropriation of funds, loan guarantee, etc., and shall not harm the interests of the company and the shareholders of public shares by using his controlling position.

## Chapter 7 Shareholders' General Meeting

**Article 50** The shareholders' general meeting is the organ of authority of the Company, which shall exercise its functions and powers according to laws.

**Article 51** The shareholders' general meeting shall exercise the following functions and powers:

- (I) to determine the business guidelines and investment plans of the Company;
- (II) to elect and replace directors and supervisors who are not representatives of the employees and to determine matters relating to remuneration of the directors and supervisors;
- (III) to consider and approve the reports of the Board;
- (IV) to consider and approve the reports of the Supervisory Committee;
- (V) to consider and approve the annual financial budgets and the final accounts of the Company;
- (VI) to consider and approve the profit distribution plans and loss recovery plans of the Company;
- (VII) to resolve on increase or decrease of the registered capital of the Company;
- (VIII) to resolve on the Company's issue of bonds;
- (IX) to resolve on the merger, division, dissolution and liquidation of the Company or changes in the form of the Company;
- (X) to amend these Articles of Association;
- (XI) to consider and approve the change in use of net proceeds;
- (XII) to resolve on the appointment, reappointment or dismissal of accounting firms;
- (XIII) to consider and approve the external guarantees of the Company that require the approval by the shareholders' general meetings;
- (XIV) to consider the acquisition or disposal of material assets by the Company within one year with a value exceeding 30% of the latest audited total assets of the Company;
- (XV) to consider equity incentive schemes or employee stock ownership plans;
- (XVI) to resolve on other matters to be resolved thereby as required by laws, administrative regulations, departmental rules and these Articles of Association;
- (XVII) to consider other matters as required by the listing rules of the stock exchange of the place where the Company's shares are listed.

Articles 99 and 121  
of the Company Law  
Article 41 of the  
Guide to the Articles  
of Association

**Article 52** The provision of any external guarantee of the Company shall be considered and passed by the Board. The guarantee offered by the Company to a shareholder or de facto controller and its related party of the Company shall be approved by the shareholders' general meeting.

Articles 16 and 148  
of the Company Law

When the shareholders' general meeting is considering a proposal to provide guarantee for any shareholder or de facto controller and its related party, the said shareholder or the shareholders controlled by the said de facto controller shall abstain from voting on the said proposal, and the said proposal shall be subject to approval by more than half of the voting rights of the other attending shareholders.

If a director, the general manager or any other senior management member violates a provision on the approval authority or approval procedure for the provision of external guarantees as specified in the laws, administrative regulations or these Articles of Association, thereby causing the Company to suffer a loss, he/she shall be liable for damages and the Company may take legal action against him/her in accordance with laws.

**Article 53** The following guaranty acts of the Company shall be considered and approved by the shareholders' meeting.

Article 42 of the  
Guide to the Articles  
of Association

- (1) any guarantee that the total amount of external guarantees of the Company and its subsidiaries controlled by the Company exceeds 50% of the audited net assets of the Company of the latest period;
- (2) any guarantee that the total amount of the Company's external guarantee exceeds 30% of the total audited assets of of the Company the latest period;
- (3) the amount guaranteed by the Company within one year exceeds 30% of the total audited assets of the Company in the latest period;
- (4) guarantees for items with an asset-liability ratio of more than 70%;
- (5) the amount of a single guarantee exceeds 10% of the audited net assets of the Company of the latest period;
- (6) guarantees provided to shareholders, actual controllers and their affiliates.

**Article 54** Without the prior approval by way of a special resolution at the shareholders' general meeting, the Company shall not enter into any contract with any party (other than a director, supervisor, general manager and other senior management member) regarding the transfer of the management of all or any major part of the Company's businesses to such party unless the Company is in crisis and other special circumstances.

Article 81 of the  
Guide to the Articles  
of Association

**Article 55** Shareholders' general meetings are classified into annual shareholders' general meetings and extraordinary shareholders general meetings. Shareholders' general meetings shall be convened by the Board of Directors. The annual shareholders' general meetings shall be convened once a year within six months from the end of the previous fiscal year.

The extraordinary shareholders' general meetings shall be convened as and when necessary. The Company shall convene an extraordinary shareholders' general meeting within 2 months from the occurrence of any of the following circumstances:

- (I) when the number of directors is less than the number stipulated in the Company Law or two-thirds of the number required in these Articles of Association;
- (II) when the unrecovered losses of the Company amount to one-third of the total amount of its paid-in share capital;
- (III) where any shareholder(s) holding individually or collectively 10% or more of the Company's shares request(s) for the convening of an extraordinary shareholders' general meeting;
- (IV) when deemed necessary by the Board or when requested by the Supervisory Committee;
- (V) other situations stipulated in laws, administrative regulations, departmental rules, listing rules of the stock exchange of the place where the Company's shares are listed or these Articles of Association.

In any of the circumstances referred to in (III) and (IV) above, the matter for consideration proposed by the party requesting the convening of the extraordinary shareholders' general meeting shall be included in the agenda of such meeting.

**Article 56** The independent directors have the right to propose to the Board an extraordinary general meeting of shareholders. For the proposal of the independent directors to hold an extraordinary general meeting of shareholders, the Board of directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give a written feedback opinion agreeing or disagreeing to hold an extraordinary general meeting of shareholders within ten days after receiving the proposal. If the board of directors agrees to hold an extraordinary general meeting of shareholders, a notice of the convening of the general meeting of shareholders shall be issued within five days after the decision of the board of directors is made; If the board of directors does not agree to hold an extraordinary general meeting of shareholders, it shall give reasons and make a public announcement.

Article 6 of Opinions on Regulated Operation and Indepth Reform Article 100 of the Company Law Rule 14, Appendix 3 to the Main Board Listing Rules Article 44 of the Guide to the Articles of Association

Article 47 of the Guide to the Articles of Association

**Article 57** The Supervisory Committee shall have the right to propose to the Board of Directors the convening of an extraordinary general meeting of shareholders and shall do so in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback on whether to agree or disagree with the convening of the extraordinary general meeting of shareholders within ten days after receiving the proposal.

Article 48 of the  
Guide to the Articles  
of Association

If the Board of Directors agrees to hold an extraordinary general meeting of shareholders, a notice of the convening of the general meeting of shareholders shall be issued within five days after the decision of the Board of Directors is made, and the changes to the original proposal in the notice shall be approved by the Supervisory Committee.

If the board of directors does not agree to hold an extraordinary general meeting of shareholders, or fails to give feedback within ten days after receiving the proposal, it shall be deemed that the board of directors cannot perform or does not perform its duty to convene the meeting of the general meeting of shareholders, and the board of supervisors may convene and preside over the meeting on its own.

**Article 58** A shareholder who holds more than 10% of the Company's shares individually or in total shall have the right to request the Board of Directors to hold an extraordinary general meeting of shareholders, and shall do so in writing. The Board of Directors shall, in accordance with the provisions of laws, administrative regulations and the Articles of Association, give written feedback on whether to agree or disagree with the convening of an extraordinary general meeting of shareholders within ten days after receiving the request.

Article 49 of the  
Guide to the Articles  
of Association

If the Board of Directors agrees to hold an extraordinary general meeting of shareholders, it shall issue a notice to convene the general meeting of shareholders within five days after the resolution of the board of directors is made, and the change of the original request in the notice shall be approved by the relevant shareholders.

If the Board of Directors does not agree to hold an extraordinary general meeting of shareholders, or fails to give feedback within ten days after receiving the request, the shareholders holding more than ten percent of the Company's shares individually or in total shall have the right to propose to the Supervisory Committee to hold an extraordinary general meeting of shareholders, and shall make a request to the board of Supervisors in writing.

If the board of Supervisors agrees to hold an extraordinary general meeting of shareholders, it shall issue a notice to hold the general meeting of shareholders within five days after receiving the request, and the change of the original request in the notice shall be approved by the relevant shareholders.

If the board of Supervisors fails to issue a notice of the shareholders' meeting within the prescribed time limit, it shall be deemed that the Supervisory Committee does not convene and preside over the shareholders' meeting. Shareholders who hold more than 10% of the Company's shares individually or collectively for more than 90 consecutive days may convene and preside over the meeting on their own.

**Article 59** If the Supervisory Committee or a shareholder decides to convene a shareholders' meeting on its own, it shall notify the Board of Directors in writing and file with the stock exchange at the same time.

Article 50 of the Guide to the Articles of Association

Before the announcement of the resolution of the general meeting of shareholders, the shareholding ratio of summoned shareholders shall not be less than 10%.

The Supervisory Committee or the convening shareholders shall, when issuing the notice of the general meeting of shareholders and the announcement of the resolution of the general meeting of shareholders, submit relevant certification materials to the stock exchange.

**Article 60** The Board of Directors and the Secretary of the Board of Directors shall cooperate with the Supervisory Committee or the general meeting of shareholders convened by the shareholders themselves. The Board of Directors will provide a list of shareholders on the date of registration.

Article 51 of the Guide to the Articles of Association

**Article 61** The expenses necessary for the shareholders' meeting convened by the Supervisory Committee or shareholders themselves shall be borne by the Company.

Article 52 of the Guide to the Articles of Association

**Article 62** When the Company convenes a shareholders' general meeting, the Board of Directors, the Supervisory Committee and any shareholders individually or jointly holding 3% or more of the Company's shares shall have the right to put forward proposals to the Company. When the Company convenes a shareholders' general meeting, shareholders individually or jointly holding 3% or more of the total voting shares of the Company are entitled to propose new resolutions in writing to the Company and submit them to the convener 10 days before the meeting. The convener of the shareholders' general meeting shall issue a supplementary notice of the shareholders' general meeting to other shareholders within two days upon the receipt of such proposal and incorporate any matters falling within the scope of duties of the shareholders' general meeting into the agenda of such meeting. The new agenda shall be tabled to the shareholders' general meeting for consideration.

Article 102 of the Company Law Rule 14, Appendix 3 to the Main Board Listing Rules  
Article 54 of the Guide to the Articles of Association

**Article 63** Where the Company convenes a shareholders' general meeting, a notice shall be given 20 working days before the meeting to notify each of the shareholders of the time and venue of the meeting and matters to be deliberated; the period of notification for extraordinary general meeting shall be 15 days or 10 working days before the meeting, whichever is longer. For notices given under this Article, the date posted shall be the date of delivering the relevant notice to post office by the Company or the share registrar engaged by the Company.

Article 102 of the Company Law Rule 14, Appendix 3 to the Main Board Listing Rules

Unless otherwise provided by these Articles of Association, the notice of the shareholders' general meeting shall be sent to shareholders (regardless of their voting rights at the shareholders' general meeting) by hand or pre-paid post to the address of the recipient as specified in the register of shareholders. For holders of domestic shares, notices of shareholders' general meetings may be issued in the form of public announcement.

Public announcement referred to in the preceding paragraph shall be published in one or more newspaper(s) designated by the securities regulatory authorities under the State Council during the period between 20 working days to 25 working days prior to the date of the meeting. Once the announcement has been published, all holders of domestic shares shall be deemed to have received notice of the relevant meeting.

Notices of shareholders' general meetings served on holders of overseas listed shares may be published on the website designated by the Hong Kong Stock Exchange and the website of the Company. Upon the publication of the announcement, all holders of overseas listed shares shall be deemed to have received the notice of the relevant shareholders' general meeting.

**Article 64** The shareholders' general meeting shall not decide on any matter not stated in the notice as referred in Article 62 and Article 63 of the Articles of Association.

Paragraph 3 of  
Article 102 of the  
Company Law

**Article 65** The notice of a shareholders' general meeting shall include the following matters:

Article 56 of the  
Guide to the Articles  
of Association

- (I) it shall specify the time, venue and date of the meeting;
- (II) it shall set out the matters and proposals to be considered at the meeting;
- (III) it shall contain conspicuously a statement that a shareholder eligible for attending and voting is entitled to appoint one or more proxies to attend and vote on his/her behalf and that a proxy need not be a shareholder;
- (IV) it shall disclose the date of registration of shareholders entitled to attend the shareholders' general meeting;
- (V) it shall disclose the name and phone number of the permanent contact for the shareholders' general meeting;
- (VI) it shall disclose the voting times and procedures online or otherwise.

**Article 66** The accidental omission to give notice of meeting to, or non- receipt of notice of meeting by, any person entitled to receive such notice shall not invalidate the meeting and any resolution adopted at the meeting.

**Article 67** If the shareholders' general meeting intends to discuss the election of directors and supervisors, the notice of the shareholders' general meeting will fully disclose the detailed information of the candidates of directors and supervisors, including at least the following:

Article 57 of the  
Guide to the Articles  
of Association

- (1) educational background, work experience, part-time job and other personal circumstances;
- (2) whether it is associated with the Company or its controlling shareholders and actual controllers;
- (3) disclosing the amount of shares held by the Company;
- (4) whether it has been punished by the CSRC and other relevant departments and punished by the stock exchanges.

Except for the cumulative voting system for the election of directors and supervisors, each candidate for director and supervisor shall submit a single proposal.

**Article 68** No shareholders' general meeting shall be adjourned or cancelled after notice of the shareholders' general meeting has been given, and no proposal set out in the notice of the shareholders' general meeting shall be cancelled without good reason. In case of delay or cancellation, the convenor shall make a public announcement and explain the reasons at least two working days before the scheduled meeting.

Article 58 of the Guide to the Articles of Association

**Article 69** Shareholders are entitled to speak at general meetings and to vote at general meetings unless individual shareholders are required by the listing rules to waive their voting rights in respect of individual matters. Any shareholder entitled to attend and vote at a shareholders' general meeting shall be entitled to appoint one or more persons (whether a shareholder or not) as his/her proxy to attend and vote on his/her behalf. According to the appointment of the shareholder, a proxy so appointed shall:

Rule 14、 18, Appendix 3 to the Main Board Listing Rules  
Rule 19, Appendix 3 to the Main Board Listing Rules

- (I) have the same right as the shareholder to speak at the meeting;
- (II) have the right to individually or jointly demand a poll;
- (III) have the right to vote by hand or on a poll, but when more than one proxy has been appointed, the proxies only have the right to vote on a poll.

The clearing company shall have the right to appoint representatives or representatives of the Company to attend general meetings and creditor meetings of the Company and such representatives or representatives of the Company shall have the same legal rights as other shareholders, including the right to speak and vote.

**Article 70** If an individual shareholder attends the meeting in person, he/she shall present his/her identity card or other valid certificates or certificates to show his/her identity and stock account card; if an individual shareholder appoints a proxy to attend the meeting, the proxy shall present his/her identity card and the shareholder's power of attorney.

Article 61 of the Guide to the Articles of Association

The legal representative or the agent appointed by the legal representative shall attend the meeting. If the legal representative attends the meeting, he/she shall present his/her identity card and a valid certificate to prove that he/she has the qualification of legal representative; if an agent is authorized to attend the meeting, the agent shall present his/her identity card and a written power of attorney issued by the legal representative of the corporate shareholder.

**Article 71** The form appointing a voting proxy shall be placed at the domicile of the Company or at such other place as specified in the notice of the meeting within 24 hours prior to the meeting at which the proxy is authorized to vote. Where such proxy form is signed by another person as authorized by the appointer, the power of attorney or other authorization document shall be notarized. The notarized power of attorney or other authorization document shall be placed together with the form appointing the voting proxy at the domicile of the Company or at such other place as specified in the notice of the meeting.

Opinions of HKSCC

Where the appointer is a legal person, its legal representative or a person authorized by the Board or other decision-making body shall be entitled to attend the shareholders' general meeting of the Company as the representative of such legal person.

Where the said shareholder is a recognized clearing house (or its agent) as defined in the relevant ordinance enacted from time to time in Hong Kong, the shareholder may authorize one or more persons as it thinks fit to act as its representative(s) at any shareholders' general meeting or any class meeting provided that, if more than one person is so authorized, the power of attorney shall clearly state the number and class of shares for which each person is so authorized and shall be signed by the authorized personnel appointed by the recognized clearing house. The persons so authorized may represent the recognized clearing house (or its agent) to exercise the rights at any meeting (without being required to present share certificate, notarized power of attorney and/or further evidence of due authorization), as if such person were an individual shareholder of the Company.

**Article 72** Any proxy form issued to a shareholder by the Board of the Company for the purpose of appointing a proxy of shareholder shall be in such form which enables the shareholder, according to his/her free will, to instruct his/her proxy to vote in favour of or against the resolutions proposed and in respect of each individual matter to be voted on at the meeting. Such a proxy form shall contain a statement that in the absence of instructions by the shareholder, his/her proxy may vote as he/she thinks fit.

Article 62 and 63 of  
the Guide to the  
Articles of  
Association

Save as provided above, the aforesaid proxy form shall also contain the following information: the number of shares represented by and name of the proxy; whether voting power is granted to the proxy; whether the proxy is entitled to vote for the temporary resolution proposed at the shareholders' general meeting; instruction of how to vote if voting power is granted; and date of appointing a proxy and the effective period for such appointment. Where a shareholder appoints more than one proxy, he/she shall specify the number of shares represented by each proxy in the proxy form.

Where the shareholders' general meeting is attended by proxy, he/she shall produce the identification proof and letter of authorization signed by the appointer or its legal representative which indicates the date of appointing. Where corporate shareholder appoints its legal representative to attend the meeting, which shall be deemed to be present in person, the legal representative shall produce the identification proof and the copy of the notarized resolutions of the Board or other authorities of the legal person appointing the said legal representative or other certified copy permitted by the Company.

**Article 73** A shareholders' general meeting shall be convened and chaired by the chairman of the Board. If the chairman of the Board is unable to or fails to perform his/her duties, the meeting shall be convened and chaired by the director elected by more than half of the directors jointly. If no chairman of a meeting is appointed, shareholders present at the meeting may elect one person as a chairman of the meeting. If no chairman of the meeting is elected by shareholders for any reason, the shareholder present at the meeting holding the largest number of voting shares (including his/ her proxy) shall be the chairman of such meeting.

Article 101 of the  
Company Law

A shareholders' general meeting convened by the Supervisory Committee itself shall be presided over by the chairman of the Supervisory Committee. Where the chairman of the Supervisory Committee is unable or fails to fulfill the duties thereof, a supervisor elected by more than half of the supervisors shall chair the meeting.

A shareholders' general meeting convened by the shareholders themselves shall be chaired by a representative elected by the convening shareholders.

Where a shareholders' general meeting is held and the chairman of the meeting violates the rules of procedure which makes it difficult for the shareholders' general meeting to continue, a person may be elected at the shareholders' general meeting to act as the chairman so as to carry on with the shareholders' general meeting, subject to the approval of more than half of the attending shareholders having the voting rights. If no chairman of the meeting is elected by shareholders for any reason, the shareholder present at the meeting holding the largest number of voting shares (including his/ her proxy) shall be the chairman of such meeting.

**Article 74** The resolutions of the shareholders' general meeting shall be classified as ordinary resolutions and special resolutions.

Article 76 of the  
Guide to the Articles  
of Association

Ordinary resolutions put forward at the shareholders' general meeting shall be adopted by not less than half of shareholders (including their proxies) with voting rights attending the meeting.

Special resolutions put forward at the shareholders' general meeting shall be adopted by not less than two-thirds of the shareholders (including their proxies) with voting rights attending the meeting.

A shareholder (including his/her proxy) present at the meeting shall vote in favor of or against or abstain from voting on each resolution relating to every matter which has been put to vote at the relevant meeting. If a shareholder or his/her proxy casts abstention vote or abstains from voting, any vote cast by such shareholder or his/her proxy shall not be counted in the voting results of the Company.

**Article 75** Shareholders (including proxies thereof) who vote at a shareholders' general meeting shall exercise their voting rights in proportion to the amount of voting shares they represent. Each share carries the right to one vote. However, the Company has no voting right for the shares it holds, and such part of shares shall be excluded from the total number of voting shares represented by the shareholders attending the shareholders' general meeting.

Paragraph 1 of  
Article 103 of the  
Company Law  
Rule 14, Appendix 3  
to the Main Board  
Listing Rules

Where any shareholder is required to waive his/her voting rights or is restricted to cast only affirmative or dissenting vote on a certain issue in accordance with applicable laws and regulations and the Hong Kong Stock Exchange listing rules, any vote cast by the said shareholder or proxy thereof in violation of the relevant provisions or restrictions shall not be counted into the voting results.

**Article 76** Voting at a shareholders' general meeting shall be taken by open ballot or other means as permitted by applicable Listing Rules.

**Article 77** The same voting right shall only be exercised by one of the means including on-site or by other ways. In the event that the same voting right has been exercised twice, the results of the first voting shall prevail.

**Article 78** Shareholders (including their proxy) shall exercise their voting rights by the number of voting shares they represent, and each share shall be entitled to one vote.

Article 79 of the  
Guide to the Articles  
of Association

When the shareholders' general meeting deliberates major matters affecting the interests of small and medium-sized investors, votes on small and medium-sized investors shall be counted separately. The results of individual counting shall be publicly disclosed in a timely manner.

The shares of the Company held by the Company have no voting rights, and such shares are not included in the total number of shares with voting rights at the shareholders' meeting.

If a shareholder's purchase of a company's voting shares violates the provisions of paragraph 1 and Paragraph 2 of Article 63 of the Securities Law, the shares exceeding the prescribed proportion shall not be allowed to exercise their voting rights within 36 months after the purchase, and shall not be included in the total number of shares with voting rights at the shareholders' meeting.

The board of directors, independent directors, shareholders holding more than one percent of the voting shares of a company, or investor protection organizations established in accordance with laws, administrative regulations or the provisions of the CSRC may solicit shareholders' voting rights in public. The solicitation of voting rights shall fully disclose the specific voting intention and other information to the solicitor. It is prohibited to solicit shareholders' voting rights by means of compensation or compensation in disguised form. Except for statutory conditions, the Company shall not put forward a minimum shareholding limit on the solicitation of voting rights.

**Article 79** When the shareholders' general meeting considers related transactions, affiliated shareholders shall not participate in voting, and the number of voting shares represented by them shall not be counted into the total number of valid votes; The announcement of the resolution of the general meeting of shareholders shall fully disclose the voting situation of non-affiliated shareholders.

Article 80 of the  
Guide to the Articles  
of Association

**Article 80** The following matters shall be approved by ordinary resolutions at a shareholders' general meeting:

- (I) work reports of the Board and the Supervisory Committee;
- (II) profit distribution plans and loss recovery plans formulated by the Board;
- (III) appointment and dismissal of the members of the Board and the Supervisory Committee (excluding employee representative supervisors), their remunerations and the method of payment thereof;
- (IV) annual financial budgets and final accounts of the Company;
- (V) annual report of the Company;
- (VI) matters other than those stipulated by laws, administrative regulations or these Articles of Association to be approved by special resolutions.

Rule 17, Appendix 3  
to the Main Board  
Listing Rules

Article 77 of the  
Guide to the Articles  
of Association

<p><b>Article 81</b> The following matters shall be approved by special resolutions at a shareholders' general meeting:</p> <p>(I) increase or reduction in share capital of the Company;</p> <p>(II) division, merger, dissolution and liquidation of the Company (including voluntary winding-up);</p> <p>(III) acquisition or disposal of material assets or provision of guarantee by the Company within one year with a value exceeding 30% of the latest audited total assets of the Company;</p> <p>(IV) amendment to these Articles of Association;</p> <p>(V) consideration and implementation of equity incentive scheme;</p> <p>(VI) any other matter specified in the laws, administrative regulations or these Articles of Association and confirmed by an ordinary resolution at a shareholders' general meeting that it may have material impact on the Company and accordingly shall be approved by special resolutions;</p> <p>(VII) other matters requiring adoption by special resolutions pursuant to the Listing Rules.</p>	<p>Rule 16 and 21, Appendix 3 to the Main Board Listing Rules Article 78 of the Guide to the Articles of Association</p>
<p><b>Article 82</b> If the shareholders' general meeting requires all the directors, supervisors, the general manager and other senior management members of the Company to attend the meeting, they shall attend the meeting. The directors, supervisors, general manager and other senior management members attending or present at the meeting shall answer or explain inquiries made by shareholders except that the business secrets of the Company are involved and cannot be disclosed at the shareholders' general meeting.</p>	<p>Article 150 of the Company Law</p>
<p><b>Article 83</b> The chairman of the meeting shall be responsible for determining whether a resolution at a shareholders' general meeting is passed pursuant to the voting result. His/her decision, which shall be final and conclusive, shall be announced at the meeting and recorded in the minutes.</p>	
<p><b>Article 84</b> If the chairman of the meeting has any doubt as to the result of a resolution which has been put to vote, he/she may have the ballots counted. If the chairman of the meeting has not counted the ballots, any shareholder who is present in person or by proxy and who objects to the result announced by the chairman of the meeting may, immediately after the declaration of the voting result, demand that the ballots be counted and the chairman of the meeting shall have the ballots counted immediately.</p>	<p>Article 90 of the Guide to the Articles of Association</p>
<p><b>Article 85</b> The resolution of the shareholders' general meeting shall be published in a timely manner, and the announcement shall set forth the amount of shareholders and proxies present at the meeting, the total number of voting shares held and their proportion in the total number of voting shares of the Company, the voting method, the voting result of each proposal and the detailed contents of the resolutions approved.</p>	<p>Article 91 of the Guide to the Articles of Association</p>
<p>The company that issues overseas shares listed in China shall make statistics on the attendance and voting of domestic and overseas shareholders and make a public announcement respectively.</p>	
<p><b>Article 86</b> The shareholders' general meeting approves the proposal on cash distribution, stock delivery or capital reserve conversion to capital increase, the Company will implement the specific plan within two months after the shareholders' general meeting.</p>	<p>Article 94 of the Guide to the Articles of Association</p>

## Chapter 8 Board of Directors

### Section 1 Directors

**Article 87** Directors shall be elected or replaced at shareholders' general meetings and serve a term of 3 years. Directors are eligible for reelection upon the expiration of their terms. However, the successive terms of independent non-executive directors may not be more than 9 years.

A shareholders' general meeting may dismiss a director (including managing director or other executive directors) within his/her term of office by an ordinary resolution provided that the relevant laws and administrative regulations are observed (however, the claim of such director for damage compensation under any contract shall not be affected).

The term of a director shall start from the date on which the said director assumes office to the expiry of the current Board. If the term of office of a director expires but re-election is not made responsively, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and these Articles of Association until a new director is elected.

**Article 88** A director may resign before his/her term of office expires. In resigning his/her duties, a director shall tender a written resignation to the Board. The Board will disclose relevant information within two days.

If any director resigns so that the membership of the Board falls short of the quorum, the said director shall continue fulfilling the duties as director pursuant to relevant laws, administrative regulations, departmental rules and these Articles of Association until a new director is elected.

Save as provided in the preceding paragraph, a director's resignation shall be effective when his/her resignation is served to the Board.

Subject to relevant laws and regulations, and regulatory rules of the place where the Company's shares are listed, if the Board appoints a new director to fill a temporary vacancy, the appointed director shall be subject to election by shareholders at the first shareholders' general meeting after the appointment.

Any person appointed as director by the Board to fill a temporary vacancy or add the quota of directors of the Board shall serve until the next annual general meeting of the Company, at which time the said person is eligible for re-election.

The shareholder(s) is entitled to dismiss any director (including managing director or other executive director) within his/her term of office by an ordinary resolution at the shareholders' general meeting provided that no provision is made otherwise in laws (however, the claim of such director for damage compensation under any contract shall not be affected).

Article 45 of the  
Company Law  
Rule 4(3), Appendix 3  
to the Main Board  
Listing Rules

Paragraph 2 of Article  
45 and paragraph 3  
of Article 108 of the  
Company Law  
Rules 4(2) and 4(3) ,  
Appendix 3 to the Main  
Board Listing Rules  
Rule B.2.2, Appendix  
14 to the Main Board  
Listing Rules  
Rule 4(3), Appendix 3  
to the Main Board  
Listing Rules

A notice of the intention to elect a person as director and a notice by that person indicating his/her acceptance of such election shall be given to the Company at least 7 days in advance.

The period of the aforesaid notice shall commence on the date on which the Company issues the notice of meeting for the election and shall end no later than 7 days (or earlier) prior to the date appointed for the meeting.

**Article 89** If resignation of a director takes effect or if his/her term of office expires, the said director shall go through all handover formalities with the Board. His/her honesty obligation to the Company and shareholders thereof shall not terminate automatically at the end of his/her term of office but shall still be valid within the reasonable period specified in these Articles of Association.

**Article 90** If any director fails to attend Board meetings in person or by proxy for two consecutive times, the said director shall be deemed incapable of performing his/her duties, and the Board shall suggest that the shareholders' general meeting dismiss the said director.

**Article 91** The Company shall have independent non-executive directors. Except as otherwise provided in this section, the provisions on the qualifications and obligations of directors in Chapter 12 of these Articles of Association shall apply to independent non-executive directors. At least one independent non-executive director of the Company shall be an accounting professional. Independent non-executive directors shall be equipped with adequate business or professional experience for competency, honestly fulfil their duties, and protect the interests of the Company, in particular the legitimate rights and interests of public shareholders, to ensure the sufficient representation of the interests of all shareholders. At least one independent non-executive director shall reside in Hong Kong on a regular basis.

Article 6 of the  
Opinions on  
Regulated Operation  
and In-depth Reform,  
Rule 19A.18(1) of the  
Main Board Listing  
Rules

**Article 92** If any director leaves his/her office without authorization or violates the laws, administrative regulations, departmental rules or these Articles of Association in fulfilling his/her duties before his/her term of office expires, thereby incurring any loss to the Company, the said director shall be liable for compensation.

**Article 93** Save as specified in these Articles of Association or duly authorized by the Board, no director shall act on behalf of the Company or the Board in his/her own name. If a director acts in his/her own name but a third party may reasonably think the said director is acting on behalf of the Company or the Board, the said director shall make a prior statement of his/her standpoint and capacity.

## Section 2 Board of Directors

**Article 94** The Company shall have a Board of Directors consisting of 6 to 9 directors. The number of independent non-executive directors, at any time, shall be at least 3 and represent more than one third of members of the Board, and at least one of the independent non-executive directors must have appropriate professional qualifications or accounting or related financial management expertise.

Independent non-executive directors may directly report to the shareholders' general meeting, securities regulatory authorities under the State Council and other relevant authorities.

A director may serve concurrently as general manager or other senior management member, but the directors serving concurrently and the directors represented by employees as such shall not be more than half of the directors of the Company.

The Board shall have one chairman. The chairman shall be elected or removed by more than half of all the directors, shall serve a term of 3 years, and is eligible for re-election.

The number of senior management members of the controlling shareholders serving concurrently as chairman or executive directors of the Company shall not exceed 2.

Directors need not hold shares of the Company.

Unless otherwise provided by relevant laws, regulations and the listing rules of the stock exchange where the Company's shares are listed, an independent non-executive director shall serve a term of 3 years and is eligible for re-election but shall not serve for more than 9 years.

**Article 95** The Board shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (I) convening shareholders' general meetings, and reporting its work to the shareholders' general meeting;
- (II) executing the resolutions of the shareholders' general meetings;
- (III) determining the business plans and investment plans of the Company;
- (IV) formulating the annual financial budgets and final accounts of the Company;
- (V) formulating the profit distribution plans and loss recovery plans of the Company;
- (VI) formulating proposals for the increase or decrease of the registered capital of the Company, the issue of corporate bonds or other securities, and the listing;
- (VII) formulating proposals for acquisition of material assets, repurchase of the Company's shares or merger, division, dissolution and changes in the form of the Company;
- (VIII) deciding on the internal management setup of the Company;

Articles 1 and 6 of the Opinions on Regulated Operation and In-depth Reform Articles 45 and 108 of the Company Law Rule B.2.3, Appendix 14 to the Main Board Listing Rules, Rules 3.10 and 3.10A of the Main Board Listing Rules Article 96 of the Guide to the Articles of Association

Article 46 of the Company Law Article 6 of the Opinions on Regulated Operation and In-depth Reform Article 107 of the Guide to the Articles of Association

- (IX) appointing or dismissing the Company's general manager and secretary to the Board; appointing or dismissing the Company's deputy general manager, chief financial officer and other senior management members as nominated by the general manager;
- (X) determining the remunerations of the aforesaid senior management members;
- (XI) formulating the Company's fundamental management system;
- (XII) formulating proposals for any amendment to these Articles of Association;
- (XIII) proposing to the shareholders' general meeting to appoint or replace an accounting firm;
- (XIV) listening to the work reports of the general manager and other senior management members of the Company and checking their work;
- (XV) deciding on external investment, external guarantee, etc. of the Company within the authority granted by the shareholders' general meeting;
- (XVI) deciding on investment, acquisition or sale of assets, financing, connected transactions, entrusted financial management, donations, assets mortgage etc. as specified in the Listing Rules;
- (XVII) deciding on other important issues of the Company, other than those which shall be resolved at shareholders' general meetings pursuant to the Company Law and these Articles of Association;
- (XVIII) exercising other functions and powers conferred by the laws and regulations, the Listing Rules, these Articles of Association or shareholders' general meetings.

The Board may resolve on the issues specified in the preceding paragraph by approval of more than half of the directors save for the issues specified in (VI), (VII) and (XII), in which approval of more than two thirds of the directors is required.

The Board shall also be responsible for the following issues:

- (I) formulating the Company's corporate governance system and reviewing and improving its corporate governance;
- (II) reviewing and supervising the training for and continuous professional development of directors and senior management;
- (III) reviewing and supervising the systems formulated and observation thereof by the Company and making relevant disclosures as per the laws and relevant provisions of the securities regulatory authority of the place where the Company's shares are listed;
- (IV) working out the Company's code of conduct and relevant compliance manual for its employees and directors, and reviewing and supervising their behaviors.

The Board shall be responsible for the above corporate governance functions and may also assign its responsibilities to one or more special committees under it.

**Article 96** The Board of Directors shall determine the licensing rights of foreign investment, purchase and sale of assets, asset mortgage, external guarantee matters, entrusted financial management, related transactions, donations, etc., and establish strict examination and decision-making procedures; For major investment projects, relevant experts and professionals shall be organized to conduct evaluation and report to the general meeting of shareholders for approval.

Article 110 of the Guide to the Articles of Association

**Article 97** For the disposal of any fixed assets by the Board, if the aggregate of the expected value of the fixed assets proposed to be disposed of and the value of the fixed assets which had been disposed of within 4 months immediately preceding such proposal for disposal exceeds 33% of the fixed assets value shown in the most recent balance sheet reviewed at a shareholders' general meeting, the Board shall not dispose of or approve the disposal of such fixed assets without the approval by the shareholders' general meeting.

Article 4 of the  
Opinions on  
Regulated Operation  
and In-depth Reform

The disposal of fixed assets referred to in this Article includes the transfer of interests of certain assets, but excludes the provision of fixed assets as pledges to any guarantees.

Any breach of paragraph 1 of this Article shall not affect the validity of any transaction entered into by the Company in disposing of fixed assets.

**Article 98** The chairman shall exercise the following functions and powers:

- (I) to preside over shareholders' general meetings and to convene and preside over Board meetings;
- (II) to supervise and examine the implementation of the resolutions of the Board;
- (III) to sign the share, corporate bonds and other negotiable securities issued by the Company;
- (IV) to exercise other functions and powers specified in laws and regulations or these Articles of Association and granted by the Board.

Where the chairman cannot fulfil the duty thereof, more than half of the directors shall jointly elect a director to fulfil the said duty.

The Board may, if necessary, authorize the chairman to exercise part of its functions and powers during its inter-session period.

**Article 99** Board meetings shall be held at least 2 times a year, shall be convened by the chairman. Written notice shall be given to all directors and supervisors at least 10 days before the meeting is held.

Article 110 of the  
Company Law  
Sections C.5.1 and  
C.5.3, Appendix 14 to  
the Main Board Listing  
Rules  
Article 115 of the Guide  
to the Articles of  
Association

In any of the following circumstances, the chairman shall convene an extraordinary Board meeting within 10 days after receipt of the proposal:

- (I) proposed by shareholders representing more than one tenth of the voting rights;
- (II) proposed by more than one third of the directors jointly;
- (III) proposed by the Supervisory Committee.

**Article 100** A notice of Board meeting shall be served to all the directors, supervisors and the general manager 14 days in advance in the event of a regular meeting or 3 days in advance in the event of an extraordinary meeting. The responsible body of the Company shall serve a written meeting notice to all the directors, supervisors and the general manager by direct delivery, fax, express mail or other electronic communication means. If service is made indirectly, confirmation shall be made by telephone and the appropriate record thereof shall be made. The notice of Board meeting shall include the following: (1) the date and place of the meeting; (2) the term of the meeting; (3) the matters and proposals; (4) the date of giving the notice.

Article 117 of the Guide to the Articles of Association

Where an extraordinary Board meeting needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means at any time, but the convener shall make explanations at the meeting.

**Article 101** Notice of meeting shall be deemed to have been served to any director who attends the meeting without raising any objection before or during the meeting that he/she has not received the notice of meeting.

Regular or extraordinary Board meetings may be convened in the form of teleconference or with the help of other communications equipment provided that the attending directors are able to hear clearly the directors who speak at the meetings and communicate amongst themselves. All the attending directors shall be deemed as having attended the meeting in person.

**Article 102** A Board meeting shall be attended by more than half of the directors.

Article 124 of the Company Law  
Article 119 of the Guide to the Articles of Association

Every director shall have the right to one vote. Save as otherwise specified in laws, administrative regulations or these Articles of Association, resolutions made by the Board shall be passed by more than half of all directors.

A director who is associated with the enterprise involved in the matters discussed by the Board shall not exercise his own, or represent other directors to exercise voting right on such matters. Such Board meetings may not be held unless attended by more than half of all the non-associated Directors, and resolutions adopted at such meetings shall be passed by more than half of all the non-associated Directors. Where the number of the non-associated Directors attending the Board meetings is less than three, the matters shall be submitted to the shareholders' general meeting for deliberation.

**Article 103** Directors shall attend Board meetings in person. Where any director cannot attend the meetings for any reason, he/she may authorize in writing another director to attend the meetings on his/her behalf, with the power of attorney specifying the scope of authorization.

Article 121 of the Guide to the Articles of Association

The director attending the meetings on behalf of another director shall exercise rights within the scope of authorization. Where a director is not present at a Board meeting and fails to appoint a proxy to act on his/her behalf, the said director shall be deemed to have waived his/her rights to vote at the meeting.

**Article 104** In respect of any important issue to be decided by the Board, a notice and adequate information shall be sent to all the directors before the deadline specified in these Articles of Association, in strict accordance with the specified procedure. Directors may require providing supplementary information. If more than one fourth of the directors or more than two independent non-executive directors think they cannot make judgments on relevant issues because the documents are inadequate or for other reasons, they can jointly propose to adjourn the Board meeting or suspend considering some issues, and the Board shall approve such proposal.

Articles 3 and 6  
of the Opinions on  
Regulated Operation  
and In-depth Reform

**Article 105** The Board may adopt written proposal in lieu of Board meeting, but the draft of the said proposal shall be sent to every director by direct delivery, mail, fax or e-mail. If the proposal has been sent to all the directors by the Board, and the number of the directors who have signed the proposal sent to the secretary to the Board by the aforesaid means satisfies the statutory quorum, the said proposal shall be deemed to be a resolution of the Board and have the same legal effect as a resolution passed at a Board meeting held in accordance with the procedures specified in relevant provisions of these Articles of Association.

**Article 106** The Board shall file resolutions of the meeting as minutes, which shall be signed by the attending directors and the minutes recorder. The minutes of the Board meetings shall be kept as the Company archives for a period of not less than ten years. The minutes of Board meeting shall include the following: (1) the date and place of the meeting and the name of the convenor; (2) the name of the director present and the name of the director (proxy) who is appointed by others to attend the Board meeting; (3) agenda of the meeting; (4) points made by the Directors; (v) method and result of the vote on each resolution (the result of the vote shall indicate the number of votes for, against or abstention). The directors shall be responsible for the resolutions passed at Board meetings. Any director who votes for a resolution of the Board which runs counter to the laws, administrative regulations or these Articles of Association, thereby causing serious losses to the Company, shall be liable for compensation to the Company; however, a director who has been proved as having expressed dissenting opinions on the resolution and such opinions are recorded in the minutes of the meeting can be exempt from liability.

Article 122 and 123 of  
the Guide to the Articles  
of Association

### Section 3 Special Committees under the Board

**Article 107** Under the Board are three special committees, i.e. the Audit Committee, the Remuneration Committee and the Nomination Committee, whose composition and rules of procedures are resolved separately by the Board. The Board may establish other special committees as necessary. These special committees are ad hoc committees under the Board which provide advice or advisory opinions for the Board on material decisions. The special committees shall not make any decision in the name of the Board. However, the committees may exercise decision-making power in respect of the authorized matters in accordance with a special power given by the Board. The major duties of the three special committees are as follows:

- (I) the major duties of the Audit Committee include: to guide, examine and supervise the construction of the Company's systems and mechanisms in respect of financial control, risk management and internal control; to make recommendations to the Board on the appointment, reappointment or change of such intermediaries as accounting firms, and their remuneration and terms of appointment; to review and supervise whether the external auditors are independent and objective and whether audit procedures are effective; to formulate and implement policies on non-audit services provided by the external auditors; to supervise and review the integrity of the Company's financial reports, annual reports, accounts, interim reports and quarterly reports (if any), and to review major opinions on relevant financial reporting set out in the statements and reports; to consider the Company's financial and accounting policies and relevant changes, and to provide relevant opinions to the Board; to make recommendations to the Board on the appointment and dismissal of the person in charge of the Company's internal audit institutions; to supervise the formulation and implementation of the Company's internal audit system; to evaluate and supervise the integrity and effectiveness of the Company's audit system; to keep good communication with the Supervisory Committee and the Company's internal and external audit institutions, and to ensure it has sufficient resources to carry out its internal audit function in the Company at a proper position and supervise its effectiveness.
- (II) the major duties of the Remuneration Committee include: to propose recommendations to the Board with respect to the overall remuneration policies and structures for the directors and senior management of the Company and the establishment of formal and transparent procedures for formulation of remuneration policies; to give advice to the Board on certain remuneration packages of all executive directors and senior management, including non-monetary benefits, pension rights and compensation amounts (including the compensation for the loss or termination of office or appointment), and the remuneration of non-executive directors; to review and approve the recommendations on remuneration of management with reference to the corporate goals as approved by the Board from time to time; to review and approve the compensation that should be paid to executive directors and senior management for any loss or termination of their office or appointment, so as to ensure the said compensation conforms to the terms of relevant contract; in case of any inconformity, the said compensation shall be fair and reasonable and will not result in excessive burden to listed companies; to review and approve the compensation arrangement in connection with dismissal or removal of relevant directors for their misconduct, so as to ensure such arrangement conforms to relevant contract terms; in case of any inconformity, relevant compensation shall be reasonable and appropriate; to ensure that any director or any of his/ her associates does not participate in the determination of his/her own remuneration.

Section D.3 .3,  
Appendix 14 to  
the Main Board  
Listing Rules  
Section E.1 .2,  
Appendix 14 to  
the Main Board  
Listing Rules  
Section B.3.1,  
Appendix 14 to  
the Main Board  
Listing Rules

(III) the major duties of the Nomination Committee include: to regularly review the structure, size and composition (including the skills, knowledge and experience) of the Board at least every year, and to make recommendations on any proposed changes to the Board to complement the Company's corporate strategy; to extensively search for qualified candidate directors, to make initial examination of candidate directors and general managers, and to offer suggestions to the Board on relevant selection; to review the independency of independent non-executive directors; to study and make recommendations on the standards and procedures for the selection of candidate directors and general managers; and to give advice to the Board on the appointment or reappointment of directors or the general manager and the succession planning for directors (including the chairman) and the general manager.

## Chapter 9 Secretary to the Board of the Company

**Article 108** The Company shall have a secretary to the Board, who shall be a senior management member of the Company.

**Article 109** The secretary to the Board of the Company shall be a natural person with requisite expertise and experience, and shall be nominated by the chairman of the Board and appointed or removed by the Board. His/her major duties are:

- (I) to ensure that the Company has complete organization documents and records, keep and manage shareholders' information and help directors with daily works of the Board;
- (II) to organize and arrange for Board meetings and shareholders' general meetings, prepare meeting materials, handle relevant meeting affairs, keep minutes of the meetings and ensure their accuracy, keep meeting documents and minutes, take initiative to keep abreast of the implementation of relevant resolutions, and report important issues occurring during the implementation to the Board and give relevant advice to the Board;
- (III) as the liaison of the Company with the securities regulatory authorities, to be responsible for organizing, preparing and timely submitting the reports and documents required by the regulatory authorities as well as accepting and organizing the implementation of relevant assignment from the regulatory authorities;
- (IV) to be responsible for coordinating and organizing the Company's information disclosure, establishing and improving the information disclosure system, attending all of the Company's meetings involving information disclosure, and keeping informed of the Company's material operation decisions and related information in a timely manner;
- (V) to ensure that the register of shareholders of the Company is established appropriately and that the persons who have the right of access to the relevant records and documents of the Company obtain the same in due time;
- (VI) to exercise other functions and powers as conferred by the Board, as well as other functions and powers as required by laws and regulations and the stock exchange of the place where the Company's shares are listed.

Article 123 of the  
Company Law

**Article 110** A director or senior management member of the Company may serve concurrently as secretary to the Board of the Company. The accountants of the accounting firm appointed by the Company and managers of controlling shareholders shall not serve concurrently as secretary to the Board of the Company.

In the event that a director serves concurrently as secretary to the Board of the Company, where any act requires to be executed by the director and the secretary to the Board of the Company separately, the said director serving concurrently as secretary to the Board of the Company shall not execute the said act in both capacities.

## Chapter 10 General Manager and Other Senior Management Members

**Article 111** The Company shall have one general manager who shall be appointed or dismissed by the Board, and shall have several deputy general managers who shall be nominated by the general manager and appointed or dismissed by the Board. A director may serve concurrently as the general manager, deputy general manager or other senior management members. Any person who holds any administrative post other than director or supervisor in the Company's controlling shareholder(s) may not hold the position of senior management of the Company. The senior management of the company are paid only in the company, not by the controlling shareholder(s).

Article 124 and 126 of the Guide to the Articles of Association

**Article 112** The general manager shall serve a term of three years, and may be reelected for successive terms.

**Article 113** The general manager shall be accountable to the Board and exercise the following functions and powers:

Article 128 of the Guide to the Articles of Association

- (I) to manage the production, operation and management of the Company and report to the Board;
- (II) to organize the implementation of the resolutions of the Board and the annual business plans and investment plans of the Company;
- (III) to formulate the fundamental management system and internal management setup of the Company;
- (IV) to formulate the specific rules of the Company;
- (V) to propose the appointment or dismissal of deputy general managers, chief financial officers and other senior management members according to these Articles of Association and the Company's relevant internal control system;
- (VI) to decide to appoint or dismiss managers and general employees other than those appointed or dismissed by the Board according to these Articles of Association and the Company's relevant internal control system;
- (VII) to exercise other functions and powers as conferred by these Articles of Association and the Board.

Senior management members other than the general manager shall assist the general manager in his/her works, and may exercise part of the functions and powers entrusted by the general manager.

**Article 114** The general manager shall be present at Board meetings, and if he/she is not a director, shall not have any voting right at Board meetings.

**Article 115** In the exercise of his/her functions and powers, the general manager shall fulfil the obligation of honesty and diligence in accordance with laws, administrative regulations and these Articles of Association.

Article 128 of the Guide to the Articles of Association

**Article 116** The Company shall have one financial manager, who shall be appointed or dismissed by the Board. The financial manager shall be accountable to the Board and the general manager.

**Article 117** The general manager shall formulate working rules for the general manager and submit them to the Board for approval before implementation. The working rules of the general manager shall include the following:

- (1) to set out the conditions, procedures and attendants for holding the general manager's meeting;
- (2) to formulate the specific duties and division of the general manager and other senior management;
- (3) to exercise the Company's funds and assets, the authority to enter into major contracts, and the reporting rules to the Board and the Supervisory Committee;
- (4) to exercise other matters deemed necessary by the Board.

Article 129 and 130 of the Guide to the Articles of Association

## Chapter 11 Supervisory Committee

**Article 118** The Company shall have a Supervisory Committee, which shall exercise its supervisory function in accordance with the provisions of the laws, administrative regulations and these Articles of Association.

**Article 119** The Supervisory Committee shall comprise three supervisors, including one chairman. A supervisor shall serve a term of three years, and may be reelected for successive terms.

The chairman shall be appointed or removed by the votes of more than half of the members of the Supervisory Committee. Resolutions of the meeting of the Supervisory Committee shall be approved by more than two thirds of the members of the Supervisory Committee.

**Article 120** The membership of the Supervisory Committee shall include two shareholder representatives and one employee representative. Specifically, the employee representative supervisor in the Supervisory Committee shall be elected democratically at the Company's employee representatives' meetings, employees' meetings or in other forms.

**Article 121** Directors, the general manager and other senior management members shall not serve as supervisors concurrently.

**Article 122** The Supervisory Committee shall be accountable to the shareholders' general meeting and exercise the following functions and powers:

- (I) to supervise any acts of directors, the general manager and other senior management members in their performance of duties that violate the laws, administrative regulations and these Articles of Association, and to propose dismissal of any directors and senior management members who violate the laws, administrative regulations, these Articles of Association or the resolutions of shareholders' general meetings;
- (II) to require directors, the general manager and senior management members to make corrections if their conduct has damaged the interests of the Company;
- (III) to review the financial operations of the Company;
- (IV) to propose the convening of extraordinary general meetings and, in case that the Board does not perform the obligations to convene and preside over the shareholders' general meetings in accordance with the Company Law, to convene and preside over the shareholders' general meetings;
- (V) to submit proposals to the shareholders' general meeting;
- (VI) to conduct investigation in case that its operation is abnormal, or engage accounting firms, law firms and other professional institutions to assist it in its work at the Company's expense if necessary;
- (VII) to initiate legal proceedings against the directors and senior management members in accordance with Article 151 of the Company Law;
- (VIII) to exercise other functions and powers stipulated by laws, administrative regulations and these Articles of Association. Supervisors shall be present at the Board meetings.

Rules 1(d)(i) and (ii),  
Appendix 13D to the  
Main Board Listing  
Rules

Article 7 of the  
Opinions on  
Regulated Operation  
and In-depth Reform  
Paragraph 2, Article 117  
of the Company Law

Paragraph 4, Article  
117 of the Company  
Law

Article 7 of the  
Opinions on  
Regulated Operation  
and In-depth Reform  
Article 53 of the  
Company Law  
Article 145 of the Guide  
to the Articles of  
Association

**Article 123** Regular meetings of the Supervisory Committee shall be held at least once every six months, and shall be convened by the chairman of the Supervisory Committee. If the chairman of the Supervisory Committee is unable or fails to perform his/her duties, more than half of the supervisors may elect a supervisor to convene and preside over the meetings of the Supervisory Committee.

Paragraph 3, Article  
117 of the Company  
Law  
Article 149 of the Guide  
to the Articles of  
Association

Supervisors may propose to convene an extraordinary meeting of the Supervisory Committee.

Where the Supervisory Committee convenes a regular or an extraordinary meeting, staff of the Supervisory Committee shall send a written notice of the meeting to all supervisors by hand, fax, email or other means within a reasonable period in advance. Where the notice is not served directly, telephone acknowledgement and relevant records shall be made.

Where an extraordinary meeting of the Supervisory Committee needs to be convened in emergency, the notice of meeting may be sent by telephone or by other verbal means, but the convener shall make explanations at the meeting. The notice of Supervisory Committee meeting shall include the following: (1) the date, place and term of the meeting; (2) the matters and proposals; (3) the date of giving the notice.

**Article 124** Matters shall be considered by the Supervisory Committee in the following manners: any voting at the meetings of the Supervisory Committee shall be made on a one-person-one-vote basis by open ballot or in writing.

The voting procedure is that the voting intent of a supervisor may be pro, con or abstention. Every attending supervisor shall choose one out of the aforesaid intents. Where any supervisor does not make any option or makes two or more options, the chairman of the meeting shall require the said supervisor to make an option again, otherwise the said supervisor shall be deemed as having abstained from voting; any supervisor who has left the meeting midway without coming back and has not made any option shall be deemed as having abstained from voting.

The Supervisory Committee shall file resolutions on matters discussed at the meeting as minutes, which shall be signed by the attending supervisors. Any supervisor shall have the right to have an explanatory note made in the minutes regarding his/her speech at the meeting. The minutes of the meeting of the Supervisory Committee shall be kept in the domicile of the Company for a period of not less than ten years.

In the case of voting by means of communications, supervisors shall sign and return by fax the voting instruments containing the written opinions and voting intentions in respect of the matters discussed to the Supervisory Committee. The supervisors shall not merely provide voting opinions without expressing their written opinions or reasons for voting. Supervisors who cast votes by means of communications shall submit the signed original copy of the voting paper to the Supervisory Committee within the period stipulated in the notice of the meeting.

**Article 125** Supervisors shall honestly fulfil the supervisory duty in accordance with relevant laws, administrative regulations and these Articles of Association.

## Chapter 12 Qualifications and Obligations of Directors, Supervisors and Senior Management of the Company

**Article 126** A person shall not serve as director, supervisor, general manager or other senior management member of the Company if:

- (I) he/she has no capacity or has limited capacity for civil conduct;
- (II) he/she has been sentenced to any criminal penalty due to an offence of corruption, bribery, encroachment of property, misappropriation of property or disrupting the economic order of the socialist market and 5 years have not elapsed since the completion date of the execution of the penalty; or he/she has ever been deprived of his/her political rights due to any crime and 5 years have not elapsed since the completion date of the execution of the penalty;
- (III) he/she was ever the director, factory manager or manager of a company or enterprise which had been bankrupted and liquidated, and was personally liable for the bankruptcy of the company or enterprise, where less than three years have elapsed since the date of the completion of the bankruptcy and liquidation of the company or enterprise;
- (IV) he/she was ever the legal representative of a company or enterprise which had its business license revoked and was ordered to close down due to illegal activities and was personally liable for such illegal activities, where less than three years have elapsed since the date when the business license of the company or enterprise was revoked;
- (V) he/she has a relatively large amount of outstanding mature debt;
- (VI) he/she is banned from the securities market by the securities regulatory, and the term is not expired;
- (VII) other matters stipulated by laws, administrative regulations or its departmental rules;
- (VIII) the circumstances stipulated by relevant laws and regulations of the place where the Company's shares are listed.

Article 146 of the Company Law  
Article 95 of the Guide to the Articles of Association

Where a director is elected or appointed in violation of the provisions of these Article of Association, the election, appointment or appointment shall be invalid. If any of these circumstances occurs during the term of a director, the Company shall relieve him of his post.

**Article 127** The directors shall abide by laws, administrative regulations and the Articles of Association, and bear the following obligations of the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities comply with the requirements of national laws, administrative regulations and various national economic policies, and its commercial activities do not exceed the business scope stipulated in the business license;
- (II) to be equitable towards shareholders;
- (III) to abreast of the Company's business operation and management;
- (IV) to sign written confirmation opinions on the periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (V) to truthfully provide the relevant information and materials to the Supervisory Committee and not to prevent the Supervisory Committee or supervisors from exercising their functions and powers;
- (VI) Other obligations of care stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 97 of the Guide to the Articles of Association

**Article 128** The directors shall abide by laws, administrative regulations and the Articles of Association, and bear the following obligations to the Company:

- (I) to exercise prudently, conscientiously and diligently the rights granted by the Company to ensure that the Company's commercial activities comply with the requirements of national laws, administrative regulations and various national economic policies, and its commercial activities do not exceed the business scope stipulated in the business license;
- (II) to be equitable towards shareholders;
- (III) to abreast of the Company's business operation and management;
- (IV) to sign written confirmation opinions on the periodic reports of the Company, and ensure that the information disclosed by the Company is true, accurate and complete;
- (V) to truthfully provide the relevant information and materials to the Supervisory Committee and not to prevent the Supervisory Committee or supervisors from exercising their functions and powers;
- (VI) Other obligations of care stipulated by laws, administrative regulations, departmental rules and the Articles of Association.

Article 98 of the Guide to the Articles of Association

**Article 129** The Company shall conclude written contracts with its directors, supervisors and senior management in relation to their remunerations, subject to prior approval at a shareholders' general meeting. The written contracts shall at least cover the following matters:

- (I) the directors, supervisors and senior management members shall undertake to the Company to observe Company Law, Special Regulations, these Articles of Association, Code on Takeovers and Mergers, Code on Share Repurchase and other regulations stipulated the by Hong Kong Stock Exchange, and agree that the Company is entitled to remedial measures under these Articles of Association and that the said contracts and the positions as directors, supervisors and senior management members shall not be transferred;
- (II) the directors, supervisors and senior management shall undertake to the Company representing respective shareholders to fulfil their due duties for the shareholders as specified in these Articles of Association;

The aforesaid remunerations shall include:

- (I) remunerations as directors, supervisors or senior management of the Company;
- (II) remunerations as directors, supervisors or senior management of subsidiaries of the Company;
- (III) remunerations for providing other services for the management of the Company and subsidiaries thereof; and
- (IV) compensations for the said directors or supervisors for losing their positions or for retirement.

Save as specified in the aforesaid contracts, the directors or supervisors shall not pursue legal action against the Company for any interests due to them in respect of the matters mentioned above.

The Company shall regularly disclose the remuneration received by a director, supervisor or senior management member from the Company to the shareholders.

Article 116 of the  
Company Law  
Rules 19A.54(1)(2) and  
19A.55(1)(2)  
of the Main Board  
Listing Rules

## Chapter 13 Financial and Accounting System

**Article 130** The Company shall establish its financial and accounting system in accordance with the laws, administrative regulations and the provisions stipulated by the relevant PRC authorities.

**Article 131** The Company shall adopt the Gregorian calendar year for its fiscal year, i.e. the fiscal year shall be from 1 January to 31 December.

At the end of each fiscal year, the Company shall prepare a financial report which shall be audited and verified according to law.

The financial statements of the Company shall, in addition to being prepared in accordance with the PRC accounting standards and regulations, be prepared in accordance with the accounting standards of the place overseas where the Company's shares are listed. If there are any material differences between the financial statements prepared in accordance with the two accounting standards, such differences shall be stated in the notes to the financial statements.

In distributing its after-tax profits of the relevant fiscal year, the lower of the after-tax profits as shown in the aforesaid two financial statements shall be adopted.

**Article 132** The Board of Directors of the Company shall place before the shareholders at annual general meeting the financial reports prepared by the Company as required by the relevant laws, administrative regulations and regulatory documents promulgated by local government or regulatory authorities.

**Article 133** The Company shall not set up other account books except for the statutory account books. No assets of the Company may be deposited into any individual's account.

**Article 134** The Company's financial reports shall be made available for shareholders' inspection at the Company 20 days before the date of the annual general meeting. Every shareholder of the Company shall have the right to receive a copy of such financial reports mentioned in this Chapter.

The financial report mentioned in the preceding paragraph shall include the directors' report and the balance sheet (including all other documents to be attached in accordance with the requirements of the PRC laws, other laws, and administrative regulations), the profit and loss statement (the income statement) or the statement of income and expense (the statement of cash flow) or (under the condition of no violation of the PRC laws) summary financial reports approved by the Hong Kong Stock Exchange .

Provisions  
Paragraph 1 of  
Article 164 of the  
Company Law

Article 152 of the Guide  
to the Articles of  
Association

the Main Board Listing  
Rules

The Company shall deliver such financial report (including every document required by laws and regulations to be annexed to the balance sheet) to every holder of its overseas listed shares in person or by pre-paid mail at the addresses of such shareholders as recorded in the share register no less than 21 days before the date of the annual general meeting. The Company can proceed by way of announcements, including announcement via the Company's website, on condition that such announcements are in compliance with the laws, administrative regulations, departmental rules and the relevant requirements of the securities regulatory authority of the place where the Company's shares are listed.

**Article 135** The Company shall announce two financial reports each fiscal year, i.e. interim financial report announced within 60 days after the end of the first six months of the fiscal year and the annual financial report announced within 120 days after the end of the fiscal year.

Rule 13.49(3) of the  
Main Board Listing  
Rules

The interim results or financial data announced or disclosed by the Company shall be prepared in accordance with the PRC accounting standards and regulations as well as the accounting standards of the place overseas where the Company's shares are listed.

## Chapter 14 Profit Distribution

**Article 136** When distributing the after-tax profits of the current year, the Company shall allocate 10% of its profits into its statutory reserve fund. When the cumulated amount of the statutory reserve fund of the Company has reached 50% or more of its registered capital, no further allocation is required.

Article 166 of the  
Company Law

Where the statutory reserve fund of the Company is insufficient to make up for the losses of the Company incurred during the previous years, before making allocation to the statutory reserve fund in accordance with the preceding paragraph, the profits generated during the current year shall be used to make up for such losses.

After making allocation to the statutory reserve fund of the Company from its after-tax profits, the Company may, subject to resolutions adopted at a shareholders' general meeting, also allocate funds from the after-tax profits to the discretionary reserve fund.

After making up for the losses and making contributions to the reserve fund, any remaining after-tax profits available for distribution to shareholders shall be distributed by the Company to the shareholders in proportion to their respective shareholdings according to the resolutions adopted at the shareholders' general meeting.

If the shareholders' general meeting has, in violation of the provisions of the preceding paragraph, distributed profits to the shareholders before the Company has made up for its losses and made allocations to the statutory reserve fund, the shareholders must return the profits distributed in violation of the provision to the Company.

No profits shall be distributed in respect of the Company's shares held by the Company.

**Article 137** The Company shall specify in the Articles of Association the priority order of cash dividend relative to stock dividend in profit distribution, and specify the following:

Article 153 of the Guide  
to the Articles of  
Association

(I) The decision-making procedure and mechanism of the Board and the shareholders' general meeting of the Company regarding profit distribution, especially cash dividend; the specific conditions, decision-making procedure and mechanism for adjusting the established profit distribution policy, especially cash dividend policy; and the measures taken to fully listen to the opinions of independent directors and minority shareholders.

(II) The specific content of the Company's profit distribution policy, especially the cash dividend policy, the form of profit distribution, the period interval of profit distribution, especially the cash dividend, the specific conditions for cash dividend, the conditions for issuing stock dividends, the minimum amount or proportion of cash dividend (if any) in each period, etc.

**Article 138** The reserve fund of the Company can be applied for making up for losses of the Company, expansion of the Company's production and operation or capitalization for capital increase of the Company, but the capital reserve fund cannot be applied for making up for losses of the Company.

Article 168 of the  
Company Law

Where the statutory reserve fund is converted into capital, the balance of such reserve fund shall not fall below 25% of the Company's registered capital prior to such conversion.

**Article 139** The Company shall appoint a payment receiving agent for holders of overseas listed shares in Hong Kong. The payment receiving agent shall receive on behalf of such shareholders any dividends or other amounts payable by the Company to them in respect of the overseas listed shares, and such payment shall be kept by the payment receiving agent on such shareholders' behalf for any payment to them.

Rule 19A.51 of the  
Main Board Listing  
Rules

The payment receiving agent appointed by the Company shall satisfy the requirements under the laws of the place where the Company's shares are listed or the rules of the relevant stock exchange.

Rule 1(c), Appendix  
13D to the Main  
Board Listing Rules

The payment receiving agent appointed by the Company for holders of overseas listed shares listed on the Hong Kong Stock Exchange shall be a trust company registered under the Trustee Ordinance of Hong Kong.

Subject to the relevant laws and regulations of the PRC, the Company may exercise its right to confiscate the dividends which are not claimed by anyone but such right can only be exercised after the expiration of relevant period.

The Company has the power to cease sending dividend warrants by post to a holder of overseas listed shares, provided that such power shall not be exercised until such dividend warrants have been so left uncashed on two consecutive occasions. However, the Company may exercise such right when the dividend warrants have failed to be delivered initially and after the dividend warrants have been returned.

In relation to the exercise of right to issue warrants to unregistered bearer, no warrant thereof shall be issued to replace the one that has been lost unless the Company is satisfied beyond reasonable doubt that the original warrant thereof has been destroyed. The Company has the right to sell the shares of holders of overseas listed shares with whom it loses contact, in a manner as its Board of Directors deems appropriate, subject to the following conditions:

- (I) Dividends of such shares have been declared for at least three times within a 12-year period and the dividends have not been claimed by anyone during such period; and
- (II) Upon expiry of the 12-year period, the Company publishes an announcement on one or more newspapers in the place where the Company is listed, stating its intention to sell the shares, and notifies the Hong Kong Stock Exchange of such intention.

**Article 140** Cash dividends and other monies paid by the Company to holders of domestic shares shall be paid in Renminbi. Cash dividends and other monies paid by the Company to holders of overseas listed shares shall be stated and announced in Renminbi and paid in Hong Kong dollars. The foreign currency required for the payment of cash dividends and other monies by the Company to the holders of overseas listed shares shall be arranged in accordance with the provisions of the PRC in relation to foreign exchange administration.

**Article 141** Unless otherwise provided in the relevant laws or administrative regulations, if the cash dividends and other monies are to be paid in Hong Kong dollars, the Company shall adopt the average offer price of the relevant foreign exchange quoted by the People's Bank of China prevailing a calendar week before the date on which the dividends and other monies are declared.

## Chapter 15 Appointment of Accounting Firms

**Article 142** The Company shall appoint an independent accounting firm which is qualified under the relevant regulations of the PRC to audit the Company's financial reports, verify the Company's net assets and consult other related services. The appointment is for one year and shall be renewed.

Article 159 of the Guide to the Articles of Association

The first accounting firm of the Company may be appointed at the inaugural meeting prior to the first annual general meeting and the accounting firm so appointed shall hold office until the conclusion of the first annual general meeting.

**Article 143** The accounting firm appointed by the Company shall have the following rights:

Article 170 of the Company Law

- (I) the right to access at any time the account books, records or vouchers of the Company, and to ask the directors, general manager or other senior management members of the Company to provide relevant information and explanations;
- (II) the right to require the Company to take all reasonable steps to obtain from its subsidiaries such information and explanation as necessary for the fulfillment of its duties;
- (III) the right to attend shareholders' general meetings and to receive all notices of, or other information relating to, the meetings which any shareholder is entitled to receive, and to speak at any shareholders' general meeting in relation to matters concerning its role as the accounting firm of the Company.

The Company shall provide the accounting firm with true and complete accounting vouchers, account books, financial reports and other accounting information, and shall not reject, conceal or misstate any information.

**Article 144** When the Company dismisses or ceases to renew an accounting firm, it shall notify the accounting firm [three] days in advance, and allow the accounting firm to state its opinion when the shareholders' general meeting votes on the dismissal. Where a public accounting firm resigns, it shall explain to the shareholders' general meeting whether there are any improper circumstances.

Article 163 of the Guide to the Articles of Association

**Article 145** The remuneration of an accounting firm or the manner in which such remuneration is determined shall be decided by the shareholders' general meeting.

**Article 146** Appointment, dismissal or non-appointment of the accounting firm shall be subject to decision at the shareholders' general meeting and shall be filed with the securities regulatory authorities under the State Council.

Rule 1(e)(i),  
Appendix 13D to the  
Main Board Listing  
Rules

Where a resolution at a shareholders' general meeting is passed to appoint an accounting firm other than the incumbent accounting firm to fill a casual vacancy in the office of accounting firm, or to reappoint an accounting firm that was appointed by the Board of Directors to fill a casual vacancy, or to remove an accounting firm before the expiration of its term of office, the following provisions shall apply:

(I) The appointment or removal proposal shall be sent (before notice of the shareholders' general meeting is given) to the accounting firm proposed to be appointed or proposed to leave its post or the accounting firm which has left its post in the relevant fiscal year.

Leaving includes leaving by removal, resignation and retirement.

(II) If the accounting firm which is leaving its post makes statements in writing and requests the Company to give the shareholders notice of such statements, the Company shall (unless the statements have been received after the prescribed time) take the following measures:

1. in any notice of meeting held for making the resolution, state the fact of the statements having been made by the leaving accounting firm; and
2. attach a copy of the statements to the notice and send it to each shareholder who is entitled to receive the notice of the shareholders' general meeting in the manner stipulated in these Articles of Association.

(III) If the Company fails to send out the accounting firm's statements in the manner set out in (II) of this Article, such accounting firm may require that the statements be read out at the shareholders' general meeting and may make further complaints.

(IV) The accounting firm which is leaving its post shall be entitled to attend the following meetings:

1. the shareholders' general meeting at which its term of office expires;
2. the shareholders' general meeting at which it is proposed to fill the vacancy caused by its removal; and
3. the shareholders' general meeting which is convened as a result of its resignation.

The accounting firm which is leaving its post shall be entitled to receive all notices of, or other information relating to, such meetings, and to speak at such meetings in relation to matters concerning its role as the former accounting firm of the Company.

**Article 147** If the Company proposes to remove the accounting firm or not to renew the appointment thereof, it should notify the accounting firm in advance, and the latter has the right to state its opinions to the shareholders' general meeting. Where the accounting firm resigns its post, it shall make clear to the shareholders' general meeting whether there is any impropriety on the part of the Company.

Rules 1(e)(ii), (iii) and (iv), Appendix 13D to the Main Board Listing Rules

The accounting firm may resign its office by depositing at the Company's legal address a written notice of resignation, which shall become effective on the date of such deposit or on such later date as may be stipulated in such notice. Such notice shall include the following statements:

- 1.a statement that its resignation does not involve any information to be disclosed to the shareholders or creditors of the Company; or
- 2.a statement that any such information is to be disclosed.

The Company shall, within fourteen days after receipt of the written notice referred to in paragraph (2) of this Article, send a copy of the notice to the relevant governing authority. If the notice contains a statement under (II) (2) of this Article, a copy of such statement shall be placed at the Company for shareholders' inspection. The Company shall also send a copy of such statement by prepaid mail to every holder of overseas listed shares (i.e. the shareholder who entitles to receive the financial report of the Company) at the address registered in the share register.

Where the accounting firm's notice of resignation contains a statement under (II) (2) of this Article, the accounting firm may require the Board of Directors to convene an extraordinary general meeting for the purpose of giving an explanation of the circumstances connected with its resignation.

## Chapter 16 Notices

**Article 148** Notices of the Company may be delivered by the following means:

- (I) by personal delivery;
- (II) by post;
- (III) by fax or email;
- (IV) by way of publishing information on websites designated by the Company and the Hong Kong Stock Exchange, subject to the laws, administrative regulations and the listing rules of stock exchanges where the Company's shares are listed;
- (V) by way of announcement;
- (VI) by any other means as agreed by the Company or the addressee or as accepted by the addressee after the notice is received;
- (VII) by any other means as approved by relevant regulatory authorities at the places where the Company's shares are listed or as specified in these Articles of Association.

Rule 2.07B of the Main Board Listing Rules  
Rule 2.07A(2) and 2.07A(3) of the Main Board Listing Rules  
Rule 19A.56 of the Main Board Listing Rules

Unless the context otherwise specifies, the "announcement" referred to in these Articles of Association shall mean, in respect of announcements made to the holders of domestic shares or the announcements to be published in the PRC as required by the relevant requirements and these Articles of Association, the publication of an announcement in newspapers or periodicals in the PRC, and such newspapers or periodicals shall have been prescribed under the laws and administrative regulations of the PRC or by the securities regulatory authorities under the State Council. For notices issued by the Company to the holders of overseas listed shares by way of announcement, the Company shall on the same day submit an electronic version to the Hong Kong Stock Exchange through the Hong Kong Stock Exchange electronic publishing system for immediate release on the website of the Hong Kong Stock Exchange in accordance with the local listing rules, or publish an announcement in newspapers (including the publication of an advertisement in newspapers) in accordance with the local listing rules. All notices or other documents required under Chapter 13 of the Main Board Listing Rules to be sent by the Company to the Hong Kong Stock Exchange shall be in the English language, or accompanied by a certified English translation.

The announcement shall also be published on the Company's website at the same time. In addition, unless otherwise required in these Articles of Association, the notice shall be delivered to each of the registered addresses as set forth in the register of holders of overseas listed shares by personal delivery or prepaid mail so as to give the shareholders sufficient notice and time to exercise their rights or act in accordance with the terms of the notice.

Holders of the Company's overseas listed shares may select electronic version or mail in writing to receive corporate communication that the Company shall send to shareholders, and they can also select to receive Chinese or English version only, or both. Shareholders can give written notice in advance to the Company within reasonable time to revise the method and language version of receiving foregoing information under appropriate procedures.

Shareholders or directors who want to prove that notices, documents, information or written statements have been served on the Company shall provide evidential materials showing the same has been served on the correct address by ordinary means or by prepaid mail within the designated periods.

Notwithstanding the aforesaid provision which specifies providing and/ or dispatching written corporate communication to shareholders, for the purpose of the means by which the Company provides and/or dispatches its corporate communication to shareholders according to the Listing Rules, if the Company has obtained shareholders' prior written consent or deemed consent according to the relevant laws and regulations and the Listing Rules as amended from time to time, the Company may dispatch or provide corporate communication to its shareholders by electronic means or via publication on its website. Corporate communication includes but is not limited to circulars, annual reports, interim reports, quarterly reports, notices of shareholders' general meetings, and other types of corporate communication as specified in the Listing Rules.

If the Company is empowered to give notice by advertisement, such advertisements may be published in the newspapers and there is no prohibition on giving notice to shareholders with registered addresses outside Hong Kong.

**Article 149** Save as otherwise specified in these Articles of Association, the means of service of notice specified in the preceding article shall apply to notice of the shareholders' general meetings, Board meetings and meetings of the Supervisory Committee held by the Company.

**Article 150** In respect of the date of receiving a notice of the Company delivered by hand, the notice shall be deemed to be received upon signing (or affixing the seal) by the addressee on the note of receipt. If the notice is delivered by post, it shall be deemed to be received after 48 hours from the date upon which the post office receives the notice. If the notice is delivered by way of fax or email or by way of publishing information on websites, it shall be deemed to be received on the date it is sent or published. If the notice is delivered by way of announcement, it shall be deemed to be received on the date on which the announcement is first published. Such announcement shall be published on the newspapers or periodicals that satisfy the relevant requirements.

**Article 151** In the event that the listing rules of stock exchanges where the Company's shares are listed stipulate that the Company shall send, post, distribute, issue, announce or otherwise provide relevant documents of the Company in English and Chinese, and if the Company has made appropriate arrangement to confirm whether the shareholders intend to receive either the English or the Chinese version, the Company may (as per the intent stated by the shareholders) only send the English version or the Chinese version to the shareholders concerned to the extent permitted by the applicable laws and regulations and pursuant to the applicable laws and regulations.

Rule 2.07B of the Main Board Listing Rules

## Chapter 17 Merger and Division of the Company

**Article 152** The merger of the Company may take the form of either merger by absorption or merger by establishment of a new entity.

Article 173 of the  
Company Law

In the event of a merger, the parties to the merger shall enter into a merger agreement, and prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on merger and shall publish an announcement in the newspapers at least three times within 30 days from the date of such resolution. The creditor may, within 30 days from the date of receipt of the notice, or within 45 days from the date of public announcement if the notice is not received, require the Company to pay off its debts or provide corresponding guarantees.

Upon the merger, creditors' right or debts of each of the parties to the merger shall be assumed by the company which survives the merger or the newly established company resulting from the merger.

**Article 153** Where the Company is divided, its properties shall be divided accordingly.

Articles 175 and 176 of  
the Company Law

In the event of a division, the Company shall prepare a balance sheet and an inventory of assets. The Company shall notify its creditors within 10 days from the date of the Company's resolution on division and shall publish an announcement about the resolution for at least three times in the newspapers within 30 days from the date of such resolution.

The debts of the Company prior to the division shall be undertaken by the companies after division, save as otherwise specified in the written agreement on debt repayment reached between the Company and its creditors before division.

**Article 154** The Company shall, in accordance with laws, apply for change in its registration with the company registration authority where a change in any item in its registration arises as a result of any merger or division. Where the Company is dissolved, the Company shall apply for cancellation of its registration in accordance with laws. Where a new company is established, the Company shall apply for registration thereof in accordance with laws.

## Chapter 18 Dissolution and Liquidation of the Company

**Article 155** In any of the following circumstances, the Company shall be dissolved:

- (I) a special resolution on dissolution is passed at a shareholders' general meeting;
- (II) dissolution is necessary due to a merger or division of the Company;
- (III) its business license is revoked, or it is ordered to close up or to be revoked according to laws;
- (IV) where the Company's operations and management encounter serious difficulty, and its continuation will cause substantial loss to the interests of the shareholders and no solution can be found through any other channel, shareholders holding 10% or more of the total voting rights of the Company may make requisition to the people's court to dissolve the Company;
- (V) the term of operation specified in these Articles of Association expires or any other circumstance for dissolution specified in these Articles of Association arises.

Articles 180 and 182 of the Company Law  
Article 179 of the Guide to the Articles of Association

In the circumstance set out in (V) above, the Company may continue to subsist by amending these Articles of Association.

**Article 156** Where the Company is dissolved pursuant to (I), (III), (IV) and (V) of Article 155 hereof, a liquidation committee shall be set up, within 15 days from the date upon which the cause of dissolution arises, to start the liquidation process. The membership of the liquidation committee shall be the directors of the Company or determined by the shareholders' general meeting. In case no such committee is established to proceed with liquidation in time, the creditors may make application to the people's court for appointing relevant persons to form the liquidation committee for liquidation.

Article 183 of the Company Law  
Article 181 of the Guide to the Articles of Association

**Article 157** During the liquidation period, the liquidation committee shall exercise the following functions and powers:

- (I) to sort out the Company's assets and prepare a balance sheet and an inventory of assets respectively;
- (II) to inform creditors by notice or announcement;
- (III) to dispose of and liquidate any unfinished businesses of the Company;
- (IV) to pay outstanding taxes and taxes incurred during the liquidation process;
- (V) to settle claims and debts;
- (VI) to deal with the remaining assets after the Company's debts having been paid in full;
- (VII) to represent the Company in civil lawsuits.

Article 184 of the Company Law

**Article 158** The liquidation committee shall within 10 days of its establishment send a notice to creditors, and within 60 days of its establishment make a public announcement in a newspaper. The creditors shall declare their claims to the liquidation committee within 30 days from the date on which they receive such notice or within 45 days from the date of announcement if no such notice is received.

Article 185 of the  
Company Law

When declaring the claims, the creditors shall specify the relevant matters about the claims and provide evidences. The liquidation committee shall register such claims.

During the period of declaration of claims, the liquidation committee shall not repay any debts to the creditors.

**Article 159** The liquidation committee shall, after examining the Company's assets and preparing the balance sheets and an inventory of assets, formulate a liquidation plan and present it to the shareholders' general meeting or the people's court for confirmation.

Article 186 of the  
Company Law  
Article 184 of the Guide  
to the Articles of  
Association

The assets of the Company shall be liquidated in the following order: payment of liquidation expenses, staff wages, social insurance expenses and statutory compensation, payment of outstanding taxes, and payment of the Company's debts.

The remaining assets of the Company after repayment of its debts in accordance with the preceding provision shall be distributed to the shareholders of the Company according to the proportion to their respective shareholdings.

During the liquidation period, the Company shall continue to exist, but shall not commence any new business activities.

**Article 160** If the liquidation committee, having examined the Company's assets and having prepared a balance sheet and an inventory of assets, discovers that the Company's assets are insufficient to pay its debts in full, it shall immediately apply to the people's court for a declaration of insolvency.

Article 187 of the  
Company Law

After the people's court has declared the Company insolvent, the liquidation committee shall turn over any matters regarding the liquidation to the people's court.

**Article 161** Following the completion of liquidation, the liquidation committee shall prepare a report on liquidation and submitted to the shareholders' general meeting or the people's court for confirmation. The liquidation committee shall submit the preceding documents to the company registration authority and apply for cancellation of registration of the Company, and publish an announcement relating to the termination of the Company.

Article 186 of the Guide  
to the Articles of  
Association

## Chapter 19 Amendments to these Articles of Association

**Article 162** The Company may amend these Articles of Association pursuant to laws, administrative regulations and these Articles of Association. The Company shall not at any time permit or cause any amendment to be made to its articles of association which would cause the same to cease to comply with the provisions of Appendix 3 or Section 1 of Part D of Appendix 13 of the Main Board Listing Rules.

Rule 19A.45 of the Main Board Listing Rules

**Article 163** Under any of the following circumstances, the Company shall amend these Articles of Association:

Article 189 of the Guide to the Articles of Association

- (I) as a result of the amendment of the Company Law or other relevant laws and administrative regulations, the matters stipulated in these Articles of Association are in conflict with the provisions of the amended laws and administrative regulations;
- (II) the Company's situation changes and its will be inconsistent with the matters recorded in these Articles of Association;
- (III) the shareholders' general meeting decides to amend these Articles of Association.

**Article 164** The following procedures shall be followed when amending these Articles of Association:

- (I) The Board of Directors shall firstly adopt a resolution for amendment to these Articles of Association and prepare a proposal for amendment to these Articles of Association;
- (II) The Board of Directors shall convene a shareholders' general meeting for voting on such proposal thereat;
- (III) The shareholders' general meeting shall approve such proposal by special resolution;
- (IV) The Company shall submit the proposal for amendment to these Articles of Association or the amended Articles of Association to the company registration authority for record.

**Article 165** Amendment to these Articles of Association which approved by the shareholders' general meeting shall be subject to approval by the relevant competent authorities. Where amendment involves the registered particulars of the Company, application shall be made for alteration of registration in accordance with the laws. The Board shall amend the articles of association in accordance with the resolution of the shareholders' general meeting to amend these Articles of Association and the approval result of the relevant competent authorities. The amendments to these Articles of Association are information required to be disclosed by laws and regulations, and shall be published in accordance with the provisions.

Article 190 and 191 of the Guide to the Articles of Association

## Chapter 20 Supplementary Provisions

**Article 166** In these Articles of Association, the meaning of an “accounting firm” is the same as that of “auditors”.

Paragraph 3 of Article  
216 of the Company  
Law

In these Articles of Association, the meaning of “de facto controller” is the person who is not a shareholder of the Company but is able to actually control the acts of the Company through an investment relation, agreement or other arrangement.

In these Articles of Association, the meaning of “no less than”, “within” or “no more than” includes the underlying number, while “more than” or “beyond” does not include the underlying number.

The “connected person transaction” referred to in these Articles of Association refers to the connected person transaction as defined in the Listing Rules.

The “state” as mentioned in these Articles of Association refers to the People’s Republic of China.

**Article 167** These Articles of Association are a translation from the original Chinese version. Should there be any discrepancies between the Chinese version and this English version or those of other languages (if any), the Chinese version shall prevail.

**Article 168** The power of interpretation of these Articles of Association shall be vested in the Company’s Board of Directors. Any matters not contained in these Articles of Association shall be proposed by the Board of Directors at the shareholders’ general meeting for approval.